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Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Financial performance report for the period from 1 July 2003 to 30 June 2004 and proposed budget for the period from 1 July 2005 to 30 June 2006 of the United Nations Logistics Base at Brindisi

Implementation of the strategic deployment stocks, including the functioning of the existing mechanisms and award of contracts for procurement

Report of the Advisory Committee on Administrative and Budgetary Questions

Appropriation for 2003/04	$22,208,100
Expenditure for 2003/04	$22,059,100
Appropriation for 2004/05	$28,422,000
Proposal submitted by the Secretary-General for 2005/06	$37,691,900
Recommendation of the Advisory Committee for 2005/06	$31,513,100

I. Introduction

1. **The recommendations of the Advisory Committee in paragraphs 14 and 17 below would entail a reduction of $6,178,800 in the proposed budget for the United Nations Logistics Base at Brindisi for the period from 1 July 2005 to 30 June 2006. The Committee also makes a number of observations and recommendations with regard to the administration and management of the Logistics Base and opportunities for further savings.**

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2. The documents used by the Advisory Committee in its consideration of the financing of the Base, as well as with regard to the implementation of the strategic deployment stocks, including the functioning of the existing mechanisms and the awards of contracts for procurement, are listed at the end of the present report.

II. Financial performance report for the period from 1 July 2003 to 30 June 2004

3. On the recommendation of the Advisory Committee, the General Assembly, in resolution 57/320 of 18 June 2003, appropriated an amount of $22,208,100 gross for the maintenance of the Base for the period from 1 July 2003 to 30 June 2004. The total amount of appropriation has been assessed on Member States.

4. As indicated in the report of the Secretary-General on the financial performance of the Base, expenditures for the period amount to $22,059,100 gross ($20,682,000 net), which is $149,000 gross lower than the appropriation of $22,208,100 gross.

5. The net decrease of $149,000 reflects a decrease of $1,595,200 under operational costs, which is largely offset by an increase of $1,446,200 under civilian personnel. The additional requirements under civilian personnel are due mainly to a high turnover of international staff assigned to the Base, resulting in increased costs associated with assignment and repatriation; in addition, post adjustment increased from 19.3 per cent in July 2003 to 31 per cent in June 2004. The Committee was informed upon enquiry that seven international staff members had recently left the Base and five new staff members had arrived there; the seven international staff members were highly qualified people in managerial positions and most of them had left the Base for new missions. **The Committee points out that, while the missions benefit from receiving experienced staff from the Logistics Base, the Base is losing expertise needed to effectively maintain the strategic deployment stocks and this may have an adverse effect on Base activities. The Base and the Department of Peacekeeping Operations should exercise caution in the number and duration of assignments.** This issue is also addressed in the Committee's general report on peacekeeping operations (A/59/736). In a related matter, the Committee understands that the administration, in cooperation with the host Government, is taking some measures that could reduce the high turnover of staff and this could ameliorate the situation just described. According to the administration, an international school will be opened in Brindisi in September 2005 (at no additional cost to the United Nations); this should make Brindisi a more attractive duty station. **The Committee trusts that the administration will undertake other viable measures to stabilize the staffing situation at the Base.**

6. The unspent balance of $1,595,200 under operational costs is attributable mainly to:

- reduced requirements under maintenance of communications and information technology equipment, owing to the launching of new missions and the slower than expected arrival of strategic deployment stocks replenishment, which led in turn to a reduction in maintenance and repair cost of communications and information technology equipment;

- reduced requirements under facilities and infrastructure, owing mainly to the cancellation of three projects for the renovation and alteration of buildings because of the delay in approval from authorities;
- lower than anticipated cost of repair and maintenance of vehicles, owing to a delay in the arrival of strategic deployment stocks vehicles and owing to the direct delivery of the vehicles to the missions; and
- reduced requirements under training fees, supplies and services, owing to the start-up of new missions, which required Base staff to remain at the Base, resulting in the cancellation of planned training events.

7. The comments of the Advisory Committee on the information in the performance report on individual objects of expenditure can be found, where relevant, in the discussion of the proposed budget for the period 1 July 2005 to 30 June 2006 in the paragraphs below.

8. The Committee notes that the 2003/04 period is the first period for which the Logistics Base has submitted its performance indicators against the planned results-based framework set out in the 2003/04 budget. **The Committee encourages the administration to further improve the results-based budgeting presentation by improving measurability and transparency in the presentation of performance indicators and outputs. For example, consistent with the presentation of the planned output, the performance indicator for handled aircraft movements should have also included aircraft movements for the World Food Programme. Moreover, the performance report should have provided an explanation of significant variations in performance indicators, compared with the planned output, such as a significant increase in the number of contracts actually administered (448 contracts), compared to the planned 75 contracts. The Committee trusts that full advantage will be taken of the fact that most activities of the Base are quantifiable and measurable and results achieved can be easily compared against planned outputs.**

III. Information on performance for the current period

9. The Advisory Committee was informed that the cash available for the Base as at 31 January 2005 was $6.6 million and that unliquidated obligations for the period from 1 July 2003 to 30 June 2004 amounted to $2,148,000.

10. The Advisory Committee was informed that, as at 31 January 2005, the incumbency for the Base for the period from 1 July 2004 to 30 June 2005 was as follows:

	Authorized	*Incumbered*	*Variance*	*Vacancy/delayed deployment rate (percentage)*
International staff	37	33	4	10.8
National staff	99	97	2	2.0

11. The Advisory Committee was provided with expenditure data for the period from 1 July 2004 to 30 June 2005 as at 31 December 2004 (see annex I below).

Expenditure for the period amounted to $17,333,600 gross ($16,527,100 net) against an apportionment of $28,422,000 gross ($26,861,400 net).

IV. Proposed budget for the period from 1 July 2005 to 30 June 2006

A. Mandate and planned results

12. The Advisory Committee notes that, as compared to 2004/05, the presentation of the framework along five programmatic lines has been discontinued in favour of a single support component; the outputs are grouped under the following core support functions: strategic deployment stocks and United Nations reserve stocks management; communications hub and information technology network operations; training services; management and administration of the United Nations Logistics Base at Brindisi; and San Vito refurbishment plan. Most indicators of achievement and outputs are measurable (see para. 8 above). The Committee's observation on planned output "Provision of ground support to 140 aircraft movements" is contained in paragraph 8 above. **The Committee is also of the view that the output "Maintenance of worldwide communication and information technology networks" should have contained, in addition to the indicator of 90 satellite links maintained, measurable indicators for voice, video and data network maintained (see also para. 8 above).**

13. With regard to the output "San Vito refurbishment plan", the Advisory Committee notes that the proposed budget includes a non-recurrent provision of $5,123,700 and a recurrent provision of $233,000, a total of $5,356,700, for the proposed expansion of the Base into the former United States base at San Vito, 10 kilometres from the Brindisi Base. It is indicated in paragraph 6 of the budget that the Base has outgrown the existing facilities at Brindisi for communication and information technology operations and is constrained in terms of open storage areas, particularly for vehicle parking; the expansion to San Vito is aimed at establishing a state-of-the-art communications hub, business continuity and disaster recovery centre for the Department of Peacekeeping Operations and other users, and to add an operationally more efficient location to the storage area for strategic deployment stocks transport assets. The Committee notes that the proposed expansion is projected to be completed in three phases at a total estimated non-recurrent cost of $8.8 million. Of this amount a non-recurrent provision of $5,123,700 relates to phase I of the expansion plan. Annex II below provides a breakdown of the non-recurrent provision of $8.8 million by object line and implementation phase.

14. During its field visit in May 2004, the Committee had the opportunity of examining the site at San Vito. The Committee was apprised of the advantages of the site and of the various purposes for which the base at San Vito could be used. The Advisory Committee sought information on the current status of the San Vito project and was informed that negotiations were still ongoing with the Government of Italy. The World Food Programme (WFP), which also needs space for its expanded operations, has taken the lead in these negotiations. Negotiations have not yet been concluded. **Proposed arrangements with the Government of Italy, as well as between the Department of Peacekeeping Operations and WFP, together with the related financial implications, should be brought to the attention of the**

General Assembly, through the Advisory Committee, before any agreement is signed; information should also be provided on how the facilities at San Vito could be utilized for training, short-term staff accommodation and other purposes. Under the circumstances, the Committee recommends that no action be taken at this stage with regard to the provision of $5,356,700 for the first stage of the expansion plan included in the proposed budget for the financial period 2005/06.

B. Resource requirements

15. Estimated requirements of $37,691,900 gross ($35,338,200 net) are proposed for the maintenance of the Base for the period from 1 July 2005 to 30 June 2006. This represents an increase of $9,269,900 in total gross resources (or 32.6 per cent) in relation to the apportionment for the period from 1 July 2004 to 30 June 2005. As indicated in the table "Financial resources" of the summary of the report (A/59/691), this total comprises an increase of $5,366,900, or 52.9 per cent, in civilian personnel costs and an increase of $3,903,000, or 21.4 per cent, in operational costs.

1. Civilian personnel

Category	*Approved for 2004-2005*	*Proposed for 2005-2006*
International staff	37	42
National staff	99	167

Recommendations on posts

16. *Establishment of five international posts (2 P-4 and 3 P-3) and one national post* for the purpose of establishing a permanent training cell at the Base. As indicated in the budget submission, "the training cell will develop the modules and coordinate external resource persons (such as senior Department of Peacekeeping Operations staff) for the four courses which will encompass 240 participants during a 12-month period as part of a programme to build a cadre of civilian peacekeeping professionals. The courses include: core values and core competencies training (four per year), team-building (two per year), peacekeeping planning and management (one per year) and senior leadership induction (one per year)". Additional information on Base training programmes was provided to the Committee upon request and is contained in annex III below.

17. **The Advisory Committee is of the view that the proposed establishment of the Logistics Base training cell represents a new and important phase in the development of a Department of Peacekeeping Operations-wide training strategy that will impact on resource requirements and on training programmes at headquarters, in peacekeeping operations and at the Base. The Committee requests, therefore, that a comprehensive review of a Department-wide training strategy be undertaken and its results be reported to the General Assembly at its sixtieth session. The report should specifically indicate the role of the proposed training cell in the overall training strategy and provide concrete workload statistics to justify the number of posts requested. Pending**

such a review, the Committee recommends that no action be taken in connection with the proposed staffing requirements of the Base training cell.

18. *Establishment of one national staff post under the Office of Administrative Support Services* as security and safety assistant, to support the chief security officer in managing security liaison at San Vito in conjunction with the Italian Ministry of Defence, which will provide overall security arrangements at San Vito, and prepare and implement security-related measures to ensure the protection of United Nations assets and facilities at that location. **In view of the Committee's recommendation in paragraph 14 above, no action should be taken at this stage with regard to this post, as it is linked to the decision on the expansion of the Logistics Base to San Vito.**

19. *Establishment of two national staff posts under the Office of Technical Support Services* for data cleansing and codification of all United Nations property. As indicated in the budget submission, the proposed staff members will ensure standardization of codes across asset management sections and monitor and periodically verify the ongoing codification used by missions. This will improve management's view of United Nations property holdings and facilitate the process of recording receipt and inspection of materials by minimizing the future need to assign temporary item codes and reducing data entry time. The Advisory Committee recalls, in this connection, the recommendation of the Board of Auditors that the Base should ensure that physical inventory description and coding are consistent with the Galileo record to facilitate the ease of use and monitoring of the strategic deployment stocks (see para. 185, A/59/5, Vol. II). **The Committee stresses the importance of proper inventory management and recommends the establishment of the requested two national staff posts for data cleansing and codification of all United Nations property at the Logistics Base.**

20. *Conversion of 64 individual contractors into 64 national posts (fixed-term contracts under the 100 series of the Staff Rules).* As indicated in the budget submission, "these contractors currently perform core functions and are required by UNLB on a continuing basis independent of the strategic deployment stocks surge capacity requirements". The Committee was informed upon enquiry that additional staff costs related to the proposed conversion of 64 individual contractors are estimated at $3,872,800, to be offset in part by a corresponding reduction of $2,021,800 under operational costs broken down as follows: facilities and infrastructure — $1,074,100, ground transportation — $315,900, communications — $315,900 and information technology — $315,900. The conversions are proposed for the following areas:

- Office of the Chief Administrative Officer — one post of liaison assistant;
- Office of Administrative Support Services — one post under "procurement", three posts under "finance" and two posts under "personnel"; and
- Office of Technical Support Services — 15 posts under "engineering", 10 posts under "supply and warehousing", 10 posts under "transport", 20 posts under "communications and information technology" and 2 posts under "air operations".

The Committee recalls that it had dealt with a request for conversion of 15 individual contractors into national posts in the context of its consideration of the proposed budget for the period 2004/05 and recommended that the matter be

reviewed in the light of the Committee's comments reflected in its general report on peacekeeping operations (A/58/759) and, if necessary, be resubmitted. The Committee was informed that, besides a careful internal review, an extensive study had been undertaken by a consultant company of Base operations, its staffing requirements and assessment of permanently needed functions on the basis of which the proposal for the conversion of 64 individual contractors into national posts was being resubmitted. The Committee was provided, upon request, with a brief description of functions of the 64 positions of individual contractors (see annex IV below).

21. **The Committee points out that proper budgetary procedure requires that continuing functions should be carried out by staff occupying established posts and the related costs should be charged against staff costs, rather than operational costs. Functions of a temporary nature should be provided through general temporary assistance (or, in some cases, temporary posts). The Secretariat, over the years, has consistently misused the provision for special service and/or individual contractor agreements. The result is a large number of cases that have been improperly treated and which need to be regularized. This has an attendant financial implication, which reflects the accumulated cost of the failure to observe proper budgetary procedures over a number of years.**

22. **In order to correct the situation, and to restore budget transparency, the Committee will not object to a one-time across-the-board conversion. The Committee has found no basis to conclude that the functions described, which have been performed for many years and will be required in the future, are not of a continuing nature. As noted above, the proposal for the conversion reflects the outcome of the internal review of permanently needed functions at the Logistics Base and the consultant's study of Base operations. The Committee emphasizes that proper budgetary procedure would have required specific proposals to have been made and justified for each and every post/function as the need arose. The Advisory Committee expects that proper procedure will be followed without variation in future. The Committee requests that future submissions should contain detailed performance information on arrangements with individual contractors, as well as any projected use of such arrangements in the forthcoming period. The Committee provides more detail on this matter, which, in fact, affects a number of missions as well as the Logistics Base in its general report.**

2. Operational costs

Apportioned 2004-2005	*Proposed 2005-2006*
$18 269 400	$22 172 400

23. The estimated operational requirements of $22,172,400 (gross) reflect an increase of $3,903,000, or 21.4 per cent, compared with the apportionment of $18,269,400 for the current period. The increase is mainly due to: (i) increased requirements of $2,913,600 under facilities and infrastructure attributable mainly to phase I of the San Vito expansion plan and (ii) increased requirements of $633,200 under information technology, of which $368,000 relates to the proposed expansion in San Vito. **In view of the Committee's recommendation in paragraph 14**

above, no action should be taken at this stage with regard to the requirements related to the San Vito expansion project.

Consultants

24. The estimated requirements of $446,000, of which a provision of $271,000 is made for non-training consultants and an amount of $175,000 relates to training consultants (see para. 26 below), reflect an increase of $204,000 (84.3 per cent) compared with the apportionment of $242,000. The increased requirements include $160,000 for consultancy work to survey the San Vito site and buildings, development of detailed plans and designs and certification by a locally certified consultant in conformity with local law. **In view of the Committee's recommendation in paragraph 14 above, no action should be taken at this stage with regard to the requirements related to the San Vito expansion project.** A provision of $175,000 under training consultants reflects mainly a redeployment of funds ($153,200) previously budgeted under other services (see para. 28 below).

Official travel

25. The estimate for official travel for 2005/06 amounts to $220,000, a decrease of $82,600, or 27.3 per cent, compared with the apportionment of $302,600 for 2003-2004. The estimate of $220,000 includes a provision of $73,600 for training-related travel. The Committee was informed that the reduction in the travel requirements is due mainly to increased use of videoconferencing. **The Committee welcomes the efforts of the administration of the Base to use videoconferencing extensively.**

Training

26. Training requirements are estimated at $349,600, including consultants of $175,000, training-related travel of $73,100 and training fees, supplies and services of $101,500. **The Advisory Committee recalls its recommendation that the proposed training programme should contain a brief description of results expected to be achieved in terms of the impact of training on outputs or activities implemented by the Base. The Committee points out that this recommendation has not yet been implemented. Moreover, the Committee is of the view that the training programme of the Base should better reflect specific activities implemented by the Base, it should be prioritized and the number of staff to be trained, the duration of the courses and the venues should be fully explained and justified; travel for training purposes should not be undertaken to distant places, when training courses are available regionally. The Logistics Base should also explore the possibility of e-training, especially between the Base and peacekeeping operations.**

Communications and information technology

27. The estimated requirements for communications ($4,597,900) and information technology ($4,224,700) reflect a decrease of $92,300 and an increase of $633,200, respectively, compared with the apportionment for the current financial period. **The increased requirements for information technology include a provision of $368,000 for the proposed expansion in San Vito, in respect of which the Committee's recommendation is contained in paragraph 14 above.**

Other supplies, services and equipment

28. The estimated requirements of $1,550,200 reflect a net increase of $696,200 (81.5 per cent) compared with the apportionment of $854,000 for the current financial period. The net increase of $696,200 reflects mainly an increase of $731,000 under other services, an increase of $115,500 under general insurance and a decrease of $153,200 under training fees, supplies and services. The increase of $731,000 under other services relates to the subcontracting to a service company of 56 individual contractors from April 2006. The Committee notes from paragraph 21 of the budget that this follows Base policy to discontinue hiring individual contractors for non-core work and surge capacity. The Advisory Committee sought additional information on this policy, justification for the requested resources and functions of the 56 independent contractors. Information provided to the Committee is contained in annex V below.

Other matters

29. The Advisory Committee recalls that the Board of Auditors recommended that the Logistics Base, in conjunction with the Department of Peacekeeping Operations, follow up on and obtain acknowledgement of receipt of items shipped to missions and monitor the shipment of stocks to ensure timely acknowledgement of receipt (see para. 188, A/59/5, Vol. II). **The Committee requests that the next budget submission for the Base contain information on the implementation of the above recommendation of the Board.**

Status of the strategic deployment stocks

30. The Committee points out that the report of the Secretary-General (A/59/701) should be read in conjunction with the report of the Board of Auditors on the accounts of the United Nations peacekeeping operations for the financial period ended 30 June 2004 (A/59/5, Vol. II), which raises, in paragraphs 161 to 193, a number of important issues related to the implementation of strategic deployment stocks, including the accounting guidelines for strategic deployment stocks, central monitoring and accounting for the replenishment and issuance of all strategic deployment stocks, agreements with non-peacekeeping missions and the promulgation and implementation of the strategic deployment stocks policies and procedures regarding the rotation of strategic deployment stocks.

31. In its resolution 58/297 of 22 July 2004, the General Assembly requested the Secretary-General to report to its fifty-ninth session on the functioning of existing mechanisms of the strategic deployment stocks, in light of lessons learned from experiences with mission start-ups and award of contracts for procurement for the strategic deployment stocks to all Member States, in particular to developing, least developed and African countries and countries with economies in transition.

32. The General Assembly, in its resolution 56/292 of 27 June 2002, endorsed the concept and implementation of the strategic deployment stocks for one complex mission and approved $141.5 million for this purpose. In its resolution 57/315, the General Assembly extended the validity of the approved resources to 30 June 2004. As indicated in paragraph 6 of the Secretary-General's report, the approved strategic deployment stocks funds were committed with $9,033 remaining unspent as of 30 June 2004. The report of the Secretary-General on the status of the implementation of the strategic deployment stocks provides in table 1 a breakdown

of the $141.5 million by budget line, as well as information on unliquidated obligations of the strategic deployment stocks.

33. According to the Secretary-General, the two-year project of establishing strategic deployment stocks is effectively completed and the strategic deployment stocks management in the Secretariat and the Base is fully functional; the procurement of strategic deployment stocks equipment and materials has been completed, and strategic deployment stocks has already been intensively utilized to support many mission start-ups and expansions.

34. The Secretary-General indicates that, as at 30 June 2004, the strategic deployment stocks funds had savings amounting to $397,322 from the liquidation of prior period obligations and that further savings will be realized from liquidation of obligations in the period from 1 July 2004 to 30 June 2005. The Secretary-General proposes that the savings derived from the liquidation of prior period obligations and the $9,033 that remained unspent as at 30 June 2004 should be utilized to cover any loss on currency exchange incurred on outstanding obligations. **The Advisory Committee has no objection to the Secretary-General's proposal.**

35. The Committee notes that since the establishment of the strategic deployment stocks in July 2002, $131.8 million worth of equipment has been issued to various missions during the period from 1 July 2002 through 31 January 2005. Table 2 of the Secretary-General's report provides a list of the missions that received strategic deployment stocks equipment during this period. The Committee notes from paragraph 14 of the report that in the last 18 months the strategic deployment stocks system has supported the deployment of missions in Liberia, Côte d'Ivoire, Burundi, Haiti, Iraq, Sudan and the expansion of the United Nations Organization Mission in the Democratic Republic of the Congo. **The Advisory Committee welcomes this accomplishment.** Also pertinent is the need for accelerating the rate of redeployment of the strategic deployment stocks by adjusting the composition and timely replenishment of the stocks.

36. The Secretary-General addresses the issue of the composition of the strategic deployment stocks in paragraphs 18 to 22 of his report. As stated in paragraph 18, the strategic deployment stocks should not be seen as a fixed inventory but rather a dynamic capability that will develop over time, based on the updated needs identified in annual composition reviews. The Committee notes that while the strategic deployment stocks concept was based on modules, the stocks are not stored, deployed or reconstituted as modules; instead, the Logistics Base will store the materials in a manner appropriate to each of the main commodity types, to support stock rotation and enable optimal utilization of the stocks for deployment to missions. The Secretary-General indicates in paragraph 22 of his report that to accelerate the strategic deployment stocks redeployment rate, the inventory levels of material with long procurement lead times will need to be increased and the holding of items with short procurement lead times reduced appropriately.

37. With regard to the issue of strategic deployment stocks replenishment, for the reasons given in paragraph 23 of the report, the proposal is made to approve the inclusion of the provision for replenishment within the $50.0 million commitment authority approved by the General Assembly in its resolution 49/233. It is further requested that, on an exceptional basis and with the prior concurrence of the Advisory Committee, the Secretary-General should be authorized to enter into commitments over and above $50 million for the replenishment of the strategic

deployment stocks in respect of the start-up phase of a new peacekeeping mission, to be funded from within the authorized level of the Peacekeeping Reserve Fund (see para. 44 below).

38. In paragraphs 24 to 40 of his report, the Secretary-General identifies a number of strategic deployment stocks management issues that require increased attention, such as a greater need for the Headquarters to identify and prioritize the release of stocks to missions, an increased need for better material planning for new peacekeeping missions, development of revolving inventory management, which requires sophisticated automated material accounting systems to complement the Galileo inventory management system and a need to introduce contemporary logistics management practices and adopt these to meet the material management requirements in the Logistics Base and missions. The Committee notes that the Secretariat is finalizing an extensive set of policies and procedures, which define the strategic deployment stocks concept, roles and responsibilities and procedures for its planning, deployment, replenishment, rotation, accounting and support; upon approval, this body of policy documentation will be promulgated. The Committee notes from paragraph 32 of the report that increasing the speed of delivery of the stocks will require a review of all material management processes and the organizational structure of the Base. **The Advisory Committee requests that it be kept informed of developments in this area.**

39. The Committee observes that the Logistics Base has developed the capacity for deployment of technical support teams along with stocks to assist and train the mission staff in the immediate deployment of the stocks. The Secretary-General indicates that the concept of technical support teams needs to be institutionalized. **While welcoming the development of the strategic deployment stocks technical support capacity, the Committee trusts that this assistance will be limited to the very initial stages of a mission and cautions that institutionalization should not result in the creation of yet another layer of administrative support to peacekeeping operations.**

40. The Secretary-General indicates in paragraph 38 of his report that the Galileo Inventory Management System will be implemented in all new missions prior to the arrival of the main elements of the strategic deployment stocks. **While welcoming the Secretary-General's statement, the Committee trusts that the implementation of the Galileo System will be closely coordinated with the process of building an adequate receipt and inspection capacity in the rapid deployment teams, so that effective inventory mechanisms are developed at the very early stages of peacekeeping missions.** The Advisory Committee draws attention to the recommendation of the Board of Auditors wherein the Administration was requested to find solutions to ensure the accuracy and completeness of all records of stocks shipped and the related income and expenditure transaction (see para. 170, A/59/5, Vol. II). **In this connection, the Advisory Committee welcomes the Secretary-General's statement that valuable lessons in cargo management have been drawn by the administration from recent deployments of strategic deployment stocks in terms of marking, dispatching and security of containerized cargo and that all high value cargo will be containerized and all containers will have prominent external markings for quick identification.**

The award of contracts for procurement for strategic deployment stocks

41. The Committee points out that information provided in response to General Assembly resolution 56/292, on the procurement contracts for strategic deployment stocks awarded to all Member States, in particular to developing, least developed and African countries and countries with economies in transition could be more useful. The Committee notes that the total value of procurement conducted in support of the strategic deployment stocks amounted to $140.6 million, of which contracts valued at $12 million (or 8.5 per cent) were awarded to companies from developing countries and countries with economies in transition and contracts for $1.9 million (or 1.3 per cent) were awarded to companies from Africa. **The Committee points out that General Assembly resolution 56/292 has not been fully implemented; it requests that more detailed information be included in future reports of the Secretary-General on strategic deployment stocks procurement contracts to comply with the spirit of resolution 56/292 of the General Assembly.**

V. Conclusion

42. The action to be taken by the General Assembly in connection with the financing of the Logistics Base for the period from 1 July 2003 to 30 June 2004 is indicated in paragraph 17 of the performance report. **The Committee recommends that the unencumbered balance of $149,000 gross, as well as other income/adjustments for the period ended 30 June 2004 in the amount of $2,292,000, be credited to Member States in a manner to be determined by the General Assembly.**

43. The actions to be taken by the General Assembly in connection with the financing of the Logistics Base for the period from 1 July 2005 to 30 June 2006 are indicated in paragraph 22 of the proposed budget. **In view of its comments above, the Advisory Committee recommends that the estimated budget requirement be reduced from $37,691,900 to $31,513,100.**

44. The action to be taken by the General Assembly in respect of the report of the Secretary-General on the status of the implementation of the strategic deployment stocks, including the functioning of the existing mechanisms and the award of contracts for procurement, is indicated in paragraph 44 of the report. **The Advisory Committee recommends that the General Assembly:**

- **approve the use of savings derived from liquidation of prior period obligations and the unspent balance of the strategic deployment stocks to cover losses on currency exchange and replenishment of the stocks; and**
- **approve the inclusion of strategic deployment stocks replenishment within the $50 million commitment authority.**

Documentation

- Report of the Secretary-General: performance report on the budget of the United Nations Logistics Base at Brindisi for the period from 1 July 2003 to 30 June 2004 (A/59/681)
- Report of the Secretary-General on the proposed budget for the United Nations Logistics Base at Brindisi for the period from 1 July 2005 to 30 June 2006 (A/59/691)
- Report of the Secretary-General on the status of the implementation of the strategic deployment stocks, including the functioning of the existing mechanisms and the award of contracts for procurement (A/59/701)
- Report of the Advisory Committee on Administrative and Budgetary Questions on the financial performance of the United Nations Logistics Base at Brindisi (A/58/759/Add.9)
- Report of the Board of Auditors on the accounts of United Nations peacekeeping operations for the financial period ended 30 June 2004 (A/59/5 (Vol. II))

Annex I

Actual expenditures for the period from 1 July 2004 to 30 June 2005

(Thousands of United States dollars)

Category	*Apportionment*	*Expenditures as at 31 Dec 2004*
Military and police personnel		
Military observers	—	—
Military contingents	—	—
Civilian police	—	—
Formed police units	—	—
Subtotal	**—**	**—**
Civilian personnel		
International staff	4 700.0	2 352.7
National staff	5 452.6	2 562.6
United Nations Volunteers	—	—
Subtotal	**10 152.6**	**4 915.3**
Operational costs		
General temporary assistance	59.0	1.8
Government-provided personnel	—	—
Civilian electoral observers	—	—
Consultants	242.0	51.6
Official travel	302.6	119.5
Facilities and infrastructure	6 366.9	4 509.6
Ground transportation	1 963.2	1 281.1
Air transportation	—	—
Naval transportation	—	—
Communications	4 690.2	2 805.9
Information technology	3 591.5	3 041.4
Medical	200.0	95.1
Special equipment	—	—
Other supplies, services and equipment	854.0	512.3
Quick-impact projects	—	—
Subtotal	**18 269.4**	**12 418.3**
Gross requirements	**28 422.0**	**17 333.6**
Staff assessment income	1 560.6	806.5
Net requirements	**26 861.4**	**16 527.1**
Voluntary contributions in kind (budgeted)	—	—
Total requirements	**28 422.0**	**17 333.6**

Annex II

Non-recurrent cost of San Vito expansion project (in US$)

	Phase I — 2005/06	*Phase II — 2006/07*	*Phase III — 2007/08*	*Total*
Operational costs				
General temporary assistance				
Government-provided personnel				
Civilian electoral observers				
Consultants	160 000			160 000
Official travel				
Facilities and infrastructure	4 376 000	844 000	153 000	5 373 000
Ground transportation	32 000			32 000
Air transportation				
Naval transportation				
Communications (contractual services)	187 700	1 408 000	270 000	1 865 700
Information technology (contractual services)	368 000	612 000	444 000	1 424 000
Medical				
Special equipment				
Other supplies, services and equipment (independent contractors contractual services)				
Quick-impact projects				
Subtotal	**5 123 700**	**2 864 000**	**867 000**	**8 854 700**
Total requirements	**5 123 700**	**2 864 000**	**867 000**	**8 854 700**

Annex III

Civilian Training and Development Section

United Nations Logistics Base at Brindisi Training Cell 2005/6

Expected accomplishment

1. The establishment of a United Nations Logistics Base at Brindisi (UNLB) Training cell will increase efficiency and effectiveness in conducting, managing, directing and supporting peacekeeping operations.

Output

Core responsibilities

2. The team will develop training modules to be used in the preparation of four training courses and to deliver those courses — initially in pilot form — multiple times in the coming period. These consist of a minimum total of eight training courses delivered consisting of:

(a) Four Core skills (with a potential for more),

(b) Two Team building,

(c) One Peacekeeping planning and management, and

(d) One Senior Leadership Induction

with 240 participants and 72 days training delivered, team members will be called upon to assist in a variety of other ongoing training needs requirements. In future, the number of these four courses run each year should increase based on strategic recommendations and the Department's needs.

Additional responsibilities

3. This team provides a resource that can meet new training requirements that must be addressed by DPKO. Some of these requirements already exist, but cannot be met without redirecting limited civilian training resources from other tasks. Examples of these new training requirements include training for OIOS auditors in DPKO field missions and training of trainers. In addition to these responsibilities, the team has the capacity to respond to surges in DPKO activity by conducting additional induction training, mission start-up training, training of the prevention of sexual exploitation and abuse, and supporting the conduct of integrated activities such as disarmament, demobilization and reintegration (DDR) training and Force headquarters training. In this regard, the team has the capacity to deliver a minimum of an additional 64 days of training to at least 275 participants.

Justification

4. DPKO has proposed the addition of five additional international staff members for the purpose of establishing a permanent training cell at UNLB to support the implementation of DPKO Civilian Training Section's training and development strategy for civilian field personnel in peacekeeping operations and enhance field mission training capacity. These staff will develop and implement: four different

core courses that will encompass a minimum of 240 participants during a 12-month period as part of a programme to build a cadre of civilian peacekeeping professionals. The courses include: Core training (4 per year), Team building (2 per year), Peacekeeping planning and management (1 per year), and Senior leadership induction (1 per year), with the capacity to deliver additional courses or conduct activities, as required.

5. This team will bring together a unique blend of training management, facilitation and evaluation skills (at all levels) across multidisciplinary, international and United Nations peacekeeping environments. They will be selected based on their depth of knowledge, experience and expertise in both training and development and the specialty training area for the post. A final selection criterion will be their ability to train/facilitate senior level staff.

6. To support the five international training posts, one national General Service post is included to provide office secretarial, administrative and logistic support. The General Service staff will also assist in the preparation of presentations and training materials.

7. UNLB has been selected as the location for these posts, because it has well-developed training facilities for class and exercise-based training and has become the focus for DPKO training activity. It is in the same time zone as most of our missions, thereby improving interactions. Finally, UNLB is physically closer to mission locations than DPKO HQ, thereby reducing time and expense when travel to missions is required.

8. The establishment of this training cell follows on from a training needs assessment conducted in 2004 of civilian field staff. The most significant need identified is a broad-based approach to the preparation of staff for field assignments and their ongoing professional development. The review identified the following priorities for training of civilian staff in the field: core training (common knowledge and skills required by all staff about to deploy to a field mission); mission-specific induction training; written and oral communications skills; team-building skills; and, planning, management, leadership and supervisory skills.

9. It is planned to address these needs by the development and delivery of four core courses in cooperation with a broad array of partners, including inter alia OHRM, DPI, United Nations Department of Security, DPA, DPKO Best Practices Unit and United Nations Mine Action Service.

10. **Courses**

(a) Core training. All new field staff prior to deployment, 6 days' duration, including subjects such as safety and security, driving, use of radios, United Nations rules and procedures, gender awareness, child protection, prevention of sexual exploitation, mission structures and responsibilities. Basic United Nations administration, such as pay documentation and health insurance, will be conducted for all staff who are new to the United Nations. This course is an element of the joint DPKO/OHRM mission readiness training programme.

(b) Team building. Selected P-2 and P-3 staff who have demonstrated potential for enhanced responsibility, 6 days' duration, covering areas including team-building skills, conflict resolution, written and oral communications, planning, and project management. The focus is on small group leadership.

(c) Peacekeeping planning and management. Selected P-3 to P-5 staff who have demonstrated potential for enhanced responsibility, 30 days' duration, with a focus on integrated planning, programme management, communications skills, cross-cutting skills such as budget development, negotiation and conflict resolution, and leadership and management. The focus is on section or sub-office leadership.

(d) Senior leadership induction. Senior staff at D-1 and above, 6 days' duration, introduction to the United Nations, including rules, responsibilities and procedures, introduction to the integrated mission planning process and results-based budgeting, responsibilities for safety and security, and best practices from field operations. This course would be tailored to the needs of participants. The course is an element of the joint DPKO/OHRM mission readiness training programme.

11. The establishment of this training team allows staff to conduct courses (in some cases, to run two courses simultaneously), develop training materials, coordinate the participation of external resource persons and refine courses over time.

Course modules

12. Each course will be comprised of elements drawn from nine curriculum modules. The development of curriculum modules will ensure that specific skills are built coherently, provide linkages between courses of increasing complexity, and that training is provided to meet the knowledge required by the participants' levels of responsibility. The level and duration of these modules will be tailored to needs for each course. The modules and an overview of their contents follow:

(a) United Nations system. DPKO roles, tasks and relationships with other United Nations organizations; staff rules; standards of conduct; values and competencies; recruitment and career development; pay and administration.

(b) Leadership, management and communication. Leadership and management; written and oral communication skills; and team skills.

(c) Substantive functions. Political affairs, civil affairs, DDR, humanitarian, development, human rights, public information, and working with agencies/NGOs/other partners.

(d) Military and civilian police. Structures, functions and capacities; and military and civil-police coordination.

(e) Mission support functions. Logistics; budgeting and finance; and personnel.

(f) Mission readiness skills. Managing stress; working in diverse and multicultural environments; safety and security; driving; use of communications equipment; gender issues, including prevention of sexual exploitation and abuse; and, HIV/AIDS awareness.

(g) Planning skills. Integrated mission planning process; planning techniques; integration; and problem solving.

(h) Capacity-building. Human resources management, including reporting, performance management and training and coaching skills.

(i) Exercises and simulations. Development and implementation of simulations and exercises to support courses and to support broader DPKO requirements; development of integrated exercise materials in collaboration with Office of the Under-Secretary-General, the Office of Operations, the Office of Mission Support, Military Division, Civilian Police Division, field missions and other United Nations/non-United Nations partners.

Staffing

13. To develop the nine curriculum modules and deliver the four courses, and additional duties as necessary, it is recommended that a training team of five staff be established in UNLB. The staff would comprise two P-4 and three P-3 training officers and one GS support staff.

14. The establishment of this training team allows staff to conduct courses (in some cases, to run two activities simultaneously), develop training materials, refine courses, and if necessary deploy to field missions to provide short-term training supplementation. The team would be an element of UNLB, but operate under the direction (on training matters) of Civilian Training Section in DPKO at Headquarters.

Training Officer, Leadership and Management, P-4

15. The core functions of this post are:

(a) To manage the UNLB training facility;

(b) To develop and manage the UNLB training budget;

(c) To facilitate (instruct) on:

(i) core skills training,

(ii) team building,

(iii) peacekeeping planning and management, and

(iv) senior leadership induction;

(d) To manage the design (facilitators guide, participant materials) and delivery of:

(i) the team building course,

(ii) the peacekeeping planning and management course, and

(iii) the senior leadership induction course;

(e) To design, develop and deliver and maintain the modules (applicable for each of courses 1-4) in:

(i) leadership,

(ii) management, and

(iii) communication: written (drafting) and oral presentation;

(f) To liaise with field missions to ensure that training continues to meet mission needs; and

(g) To conduct and review mission training needs assessments.

Training Officer, Induction and Mission start-up/Rapid deployment, P-4

16. The core functions of this post are:

(a) To facilitate (instruct) in UNLB on:

(i) core skills training,

(ii) team building,

(iii) peacekeeping planning and management, and

(iv) senior leadership induction;

(b) To manage the design (facilitators guide, participant materials) and delivery of:

(i) the core skills course, and

(ii) mission start-up;

(c) To design, develop and deliver and maintain the modules (applicable for each of courses 1-4) in:

(i) planning skills, and

(ii) exercises/simulations with the following partners: the Office of the Under-Secretary-General, the Office of Operations, the Office of Mission Support, Military Division, Civilian Police Division, field missions and other United Nations/non-United Nations partners.

Training Officer, Mission components, P-3

17. The core functions of this post are:

(a) To facilitate (instruct) in UNLB on:

(i) core skills training,

(ii) team building,

(iii) peacekeeping planning and management, and

(iv) senior leadership induction;

(b) To design, develop and deliver and maintain the modules (applicable for each of courses 1-4) in:

(i) substantive functions,

(ii) mission support functions,

(iii) military, and

(iv) civilian police;

(c) To develop and manage the UNLB training calendar.

Training Officer, Mission readiness, P-3

18. The core functions of this post are:

(a) To facilitate (instruct) in UNLB on:

(i) core skills training,

(ii) team building,

(iii) peacekeeping planning and management, and

(iv) senior leadership induction;

(b) To design, develop and deliver and keep updated the mission readiness skills modules (applicable to each of the courses 1-4) in:

(i) managing stress,

(ii) working in diverse and multicultural environments,

(iii) safety and security,

(iv) driving,

(v) use of communications equipment,

(vi) gender issues and awareness,

(vii) prevention of sexual exploitation and abuse, and

(viii) HIV/AIDS awareness;

(c) To deploy temporarily to new or expanding missions as required; and

(d) To manage participant selection and maintain training records.

Training Officer, United Nations system and Capacity-building, P-3

19. The core functions of this post are:

(a) To facilitate (instruct) in UNLB on:

(i) core skills training,

(ii) team building,

(iii) peacekeeping planning and management, and

(iv) senior leadership induction;

(b) To design, develop and deliver and maintain the modules (applicable to each of the courses 1-4) in:

(i) United Nations system: DPKO roles, tasks and relationships with other United Nations organizations, staff rules, standards of conduct, values and competencies, recruitment and career development, and pay and administration,

(ii) capacity-building: performance management, training skills, and coaching skills;

(c) To design, develop and implement the training evaluation mechanisms for all courses (pre-course, during, post-course — on mission and follow-up)

including in conjunction with best practices, identifying and incorporating best training practices in field missions.

Administrative Assistant (GS-4)

20. Provides administrative support to the five training officers in the preparation of course material, running the training office and routine administration in support of the training staff and the participants.

Annex IV

Brief description of functions of 64 individual contractors proposed for conversion

Administrative Support Services/Procurement Section

Justification

Procurement activities have increased significantly over the past three financial periods without any increase in United Nations staff. The value of purchase orders increased 66 per cent from US$ 5.1 million to US$ 8.5 million in 2002-2003 and the number of purchase orders increased 42 per cent from 403 to 573. In 2003-2004 the value of the acquisitions grew again to US$ 12.8 million, a further 51 per cent increase. The current budget (2004/2005) increases in dollar terms again resulting in even larger procurement spending with a steady state in number of purchase orders to be raised. The Base therefore requires one additional United Nations national post for procurement to manage acquisition of materiel and services effectively and efficiently.

Procurement Clerk (GS-4): [1]

To facilitate the increase in acquisition activities over the past three years three individual contractors were hired — two act primarily as buyers and one primarily as an invoice matching clerk. It is proposed to replace these individual contractors with one United Nations local General Service staff whose duties will include market surveys, selecting qualified vendors, preparing bid solicitations, determining bid evaluation criteria, analysing and ranking offers, received, preparing bid evaluation abstracts, drafting and recommending award of contracts/purchase orders, contract follow-up, discrepancy resolution, order close-out activities, invoice processing and vendor roster processing.

Administrative Support Services/Finance Section

Justification

There has been no increase in United Nations staff in the Finance Section despite a fourfold increase in the Base budget and transactions over the past five years. The increase in workload has been met through the long-term employment of three independent contractors, who carry out functions that should properly only be assigned to United Nations staff. It is essential that these staff be eligible for formal training in United Nations financial procedures, be assigned responsibilities for financial management of transactions similar to existing United Nations staff and be cross-trained in all aspects of the finance office.

Finance/Budget Clerk (Vendors Unit) (GS-4): [1]

An independent contractor has performed the functions of this post for the past four years. The incumbent of the new post will be responsible for the processing of invoice matching in Sun Business system, process all vendor-related payments, administer 600 obligating documents and 5,000 payments. Incumbent would also verify, obligate and track orders, miscellaneous obligation documents, Travel Authorization Forms for the Base and in support of peacekeeping missions, maintain

the purchase order database, track training activities, manage petty cash, hospitality funds and related expenditure by direct expenditure. The incumbent would also assist in the preparation of the inter-mission billings (IOB) and serve as a "back-up" to the Cashier.

Finance/Budget Clerk (Payroll Unit) (GS-4): [1]

An independent contractor has performed the functions of this post for the past four years. The incumbent will be responsible within the Payroll Unit for functions including the monthly preparation of all local staff salaries, all individual staff fees and monthly payment order for international staff. The incumbent will also be responsible to process all MIP claims and pension computations and schedules, create staff member data in Sun system and PROGEN, monitor all staff account payables and receivables on a monthly basis and institute recovery action from staff members who are slow to make payments. The incumbent will also verify attendance records, the notification and recovery of phone bills, liberty mileage and other charges for international staff, national staff, International Computing Centre and peacekeeping management course. The incumbent would track independent contractor expenditures and issue cash advances, mission subsistence allowance payments and daily subsistence allowance for official travel. Address all enquiries.

Finance/Budget Clerk (Travel Claims Unit) (GS-4): [1]

An independent contractor has performed the functions of this post for the past four years. The incumbent will be responsible for processing staff member claims and entitlements, all Personnel Section requests, including the processing of all travel claims, education grants, home leave travel, official travel non-training and training, the processing of inter-office vouchers and the settlement of all debit advices from other peacekeeping missions and agencies. The United Nations core staff will be back-up for payroll functions and serve as a necessary check and balance within payroll.

Administrative Support Services/CAO/Liaison Unit

Justification

The training activities at UNLB have increased considerably, as highlighted in the table below, affecting the level of activities of the Liaison Office:

Years	*2000/01*	*2001/02*	*2002/03*	*2003/04*
Courses	33	62	106	96
Trainees	512	852	1 400	1 396

The increased number of staff members (including International Computing Centre) and trainees has determined an increase of visas, identity cards and fiscal code number requests.

Fiscal year	*2000/01*	*2001/02*	*2002/03*	*2003/04*
Regular visas	82	50	89	95
Visa upon arrival	3	20	38	30
Total	**85**	**70**	**127**	**125**

Fiscal year	*2000/01*	*2001/02*	*2002/03*	*2003/04*
Identity card requests/ replacements/returns	41	48	117	115
Fiscal code requests	11	24	59	36

In addition to the above, this office is in daily contact with the authorities of the host country to obtain clearances, discuss projects and generally maintain a good working relationship; therefore, the current Liaison Office staff dedicate 90 per cent of their working time to the above-mentioned activities.

As UNLB does not have an official translator/interpreter, the Liaison Office performs these functions as well, and, among other duties, is responsible for translating documents and correspondence to and from the Italian authorities, translating engineering projects, staff members' medical records, accident reports, daily press reviews. During the last budget year the office handled over 300 pages of documents on a broad range of subjects, often characterized by technical terminology (i.e.: aeronautical, medical, engineering, etc.). Currently there is an independent contractor, specialized in translation and interpreting, working in the Liaison Office, whose task is to translate, subject to revision, both from Italian into English and from English into Italian, in addition to performing other administrative functions.

Liaison Assistant (GS-5): [1]

The incumbent of this post will facilitate support to UNLB staff and United Nations staff undergoing training at UNLB in obtaining fiscal code numbers, identity cards issued by the Italian Ministry of Foreign Affairs, mission visas, business visas, visas upon arrival, airport passes, United Nations and UNP licence plates and vehicle registrations, sojourn permits, base entry clearances. The incumbent will also reduce delivery time of translation services by translating daily correspondence (depending on the length of the document) within 24 hours from delivery date and translating reports and technical documents (legal documents, laws of the hosting country, engineering, communication and information technology-related technical projects, press articles, medical records, aviation circulars etc.), with an average of 8 to 10 pages per day.

Administrative Support Services/Personnel Section

Justification

Personnel Clerk (International Staff Administration Unit) (GS-4): [1]

These duties have been performed by an independent contractor since June 2003 to replace a United Nations local staff member who had to be assigned to the Local Staff Unit to manage the increase in independent contractor recruitment and administration. Under the direct supervision of the Chief Civilian Officer, the incumbent of the post will provide clerical and administrative support to enhance and improve the overall capacity of Personnel to administer UNLB international staff and United Nations staff temporarily assigned to UNLB for pre-deployment training. Given the sensitivity and confidentiality of staff records, there is an urgent need for these duties to be handled by a United Nations staff member. The incumbent will assist in the preparation of relevant background materials and documents, create and maintain personnel databases and will draft and update personnel databases with regard to recruitment, placement, promotion, performance appraisals, vacancies and job classification. The incumbent will assist also in the administration of UNLB's official staff travel, language proficiency examinations and the medical insurance plan.

Registry Clerk (GS-4): [1]

These duties have been performed by an independent contractor since June 2003. Given the sensitivity and confidentiality of staff records, there is an urgent need for these duties to be handled by a United Nations staff member. Under the direct supervision of the Chief Civilian Personnel Officer, the incumbent will assist in the preparation of relevant personnel documents for electronic storage, access, circulation, publication including documentation scanning and conversion. Other important function includes the review of content and extraction of key data for categorization and indexing. The incumbent will select and compile relevant background materials, create and maintain personnel databases and provide general office support.

Technical Support Services/Air Operations

Justification

Air Operations Unit contributes to the UNLB objective by ensuring safe and rapid deployment of cargo in support of peacekeeping missions. Under an inter-agency agreement, UNLB/Air Operations provides support to the World Food Programme for their aircraft based at UNLB on a full-cost recovery basis. Air Operations Unit is also responsible for implementing accident prevention measures through the establishment and execution of the aviation safety programme. To enable UNLB to provide effective support to DPKO and WFP flying operations, there is a need to increase the current staffing of the Unit by 1 GS-6 Air Operations Assistant and 1 GS-5 (Ramp Controller). Both positions are key to the management of air operations and air safety on the ramp.

Air Operations Assistant (GS-6): [1]

The Air Operations Assistant is responsible under the Chief Aviation Officer for all matters related to the operation of United Nations-owned/leased/chartered aircraft at UNLB. The incumbent is responsible for ensuring that all air operations are conducted in accordance with United Nations policies and international standards. The Air Operations Assistant is responsible for liaison and coordination with Italian Air Force and Brindisi civilian airport authorities for the safe, expedient and efficient conduct of air operations and, when necessary, the Air Operations Assistant facilitates the processing of diplomatic clearances. The incumbent manages the UNLB aviation safety training programme, the fuel contract, and the maintenance and operation of UNLB ground support and aviation cargo handling equipment. The Air Operations Assistant acts as Officer-in-Charge in the absence of the Chief Aviation Officer.

Ramp Control Officer (GS-5): [1]

A ramp control officer is needed to manage, coordinate and safely control UNLB ramp activities. Seventy-eight per cent (based on 180 flights per year) of the total UNLB flights are conducted during non-duty hours or weekends. Each IL-76, C130 or An-124 aircraft departure takes 5 to 6 hours to complete. Each recovery takes 4 hours. The safety implications require this person to have specialist training and knowledge that can only be obtained by attendance at suitable courses. Frequency of flights and the heavy workload on the three other staff members of the Air Operations Unit preclude on-site supervision of the ramp on a regular basis.

Technical Support Services/Engineering

Justification

The Engineering Section has three major tasks: to maintain the facilities and infrastructure used by UNLB; to manage engineering strategic deployment stocks (SDS); and to plan and supervise the development of new and refurbished facilities at San Vito. There has been no increase in United Nations staff in Engineering to manage the additional facilities provided on the base including three new warehouses and softwall facilities at Brindisi and San Pancrazio; nor has there been any United Nations staff increase to manage SDS of more than 12,500 line items of expendables and non-expendable items totalling $38 million plus US$ 9 million in United Nations Reserve stock and US$ 2 million in the UNLB stores. The development of San Vito, although the work will be undertaken by contract, will require the developing scopes of work (SOW) and analysis of consultant design proposals and supervision of contracts. To meet its responsibilities, Engineering requires additional United Nations trained staff with full authorization and access to United Nations financial and inventory control systems as outlined below to replace independent contractors carrying out these functions for the past three years.

Architect/Engineer (GS-5): [2]

Prepare scope of work and request for proposal documentation for tender purposes within deadlines; perform technical evaluation of bids; assist the Chief Engineer in the supervision of contracted works; prepare cost estimates of projects and evaluate completed work in order to authorize payments based on compliance

with specifications and building standards. This person will speed up the finalization of projects and is key to the preparation of the scope of work, drawings and specifications for a budget that is set to increase from $1.6m to $3.2m in the 05-06 year, and at the same time to be responsible for coordinating the work done by Consultant Engineers. The incumbent will also be responsible for preparing the scope of work for maintenance contracts and projects executed in-house with the staff of Building Management Unit, and will assist with the technical evaluation of all contractor bids. With the assistance provided by this post, Engineering will have better control of documentation and better control of the execution of projects.

Generator Technician (Mechanical) (GS-4): [2]

Current staffing levels do not allow for adequate or complete mechanical testing of all generators by the Generator Maintenance Unit due to a lack of staff. The Unit is also charged with assisting the Receipt and Inspection Unit in the inspection of generators and equipment for all SDS and other missions. Generators received from other missions must be repaired, preserved, stored and also frequently maintained. In order to perform the mechanical repair and maintenance of all SDS (244), United Nations Reserve (69) and UNLB (11) generators, an additional United Nations post is required. The current single United Nations generator mechanic is unable to handle the workload of maintaining the 324 generators and refurbish generators received from liquidating and downsizing missions and to service the UNLB generators. The Unit is also responsible to assist missions with the synchronizing of generators and the installation of automatic switchover panels. To assist the single United Nations staff generator mechanic with this task one additional United Nations post is requested to allow for the training of a specialist in United Nations generator models and makes.

Electro-Mechanic Technician (GS-4): [2]

Generators received from other missions must be refurbished, preserved, stored and maintained. In order to perform the electrical repair and maintenance of all engineering equipment fitted with electrical installations for power generation two additional United Nations posts are requested. This is essential if UNLB is to provide the required quarterly maintenance for 324 generators and also for repair and maintenance of the electrical systems associated with cooling equipment. Over the past two budget periods, the Generator Maintenance Unit has begun providing missions with equipment custom designed to their needs, such as synchronized generator sets (UNMEE) and panel set-ups (UNAMSIL). This has also included the assembly of electrical panels from the empty enclosure through to the finished product, including the original design of the wiring and installation diagrams. These projects have provided the requesting missions with ready-to-use and state-of-the-art equipment that has reduced the time required by the mission to assemble the equipment, and put it into operation, thus rendering UNLB's assistance and support to DPKO missions more effective and efficient. UNLB is unable to provide this sought after improvement in delivery of service with only one United Nations staff electro-mechanic, and therefore UNLB requests two additional posts for electro-technicians.

Air Conditioning Technician (GS-4): [1]

The Generator Maintenance Unit takes care of all UNLB cooling systems including maintenance of the mission critical central cooling system in the network control centre which is the hub for all DPKO communications and information technology. GMU is also responsible for the inspection, testing and maintenance of the refrigerated containers managed by Supply and Property Management Section, Transport Section and all the Engineering electrical equipment in SDS, United Nations Reserve and UNLB including refrigerators and cookers held in the 50, 100, 250 and 500-man field kitchens. The Unit also refurbishes, stores, and maintains air conditioning units received from missions. One staff member must be on 24-hour standby to support the air-conditioning requirement of building 178, the Galileo server rooms, building 92 International Computing Centre offices and the satellite farm. Since the one United Nations technician cannot perform all of these duties alone and be on call 24 hours a day, 7 days a week, one additional United Nations technician is required.

Electrician (GS-4): [1]

Electrical safety best practices require the presence of two qualified electricians whenever work is performed on active systems. There is currently only one (1) United Nations staff electrician in the Building Management Unit. This person is not able to handle all the electrical related work orders in this Base and is permanently supported by one (1) independent contractor. The biggest task is to upgrade the internal wiring network and to replace the electrical distribution boards in buildings turned over to UNLB. These older buildings are not wired to support air conditioners, computers, copy machines, printers and similar items that dramatically increase the electrical load. In all cases offices have to be rewired, new fuse boxes installed and additional wall sockets installed to support the electrical equipment according to Italian standards. Over and above this function, it is the constant flow of normal work orders, pressure for more security lighting, back-up power, automatic switch-over panels and similar tasks that place an incredible workload and responsibility on one person. An electrician is on 24-hour standby to be able to support electrical problems. To meet these safety and operational requirements one additional core post Electrician is requested.

Administrative Clerk (GS-4): [1]

Equally important to performing maintenance actions are the administrative tasks of recording, scheduling and following up on actions. This post is to ensure a smooth and efficient workflow of work orders for maintenance and repair tasks, to process and issue requests for the same, and track and update all relevant databases. This post would be responsible to maintain database of projects executed in-house with the staff of the Building Management Unit. As of today this function has been carried out by one independent contractor for more than two years. One additional United Nations post in this Unit is the minimum needed to maintain up-to-date documentation for all Building Management Unit works carried out.

Store Workers (GS-4): [3]

The Engineer Stores include all assets and expendables for SDS — current value at US$ 13 million rising to US$ 38 million when fully stocked. United Nations

Reserve — US$ 8.5 million, and UNLB stock — US$ 3 million. Engineering stores are currently maintained in 14 different warehouses and, when fully stocked, will include 1,540 containers in 5 outdoor storage yards. Rotation and maintenance regimes of SDS equipment will greatly increase the level of activities over what has been the past experience. In addition to the above, Engineering has to carry out write-off activities. The Engineering Section currently has six United Nations staff store workers. Four additional United Nations store workers are the minimum required to ensure proper maintenance, accountability and issue of nearly $50 million of engineering stocks.

Administrative Inventory Clerks (GS-4): [3]

These posts are currently filled by three independent contractors who have been performing the functions for the last two years continuously. Their critical activities include receipt of equipment, coding items, preparing documentation for issuance of material, and preparation of release vouchers. With an inventory of $50 million, it is essential that properly qualified and trained staff are available and accountable for the processing of inventory documentation and data input. Conversion of these three independent contractors positions to United Nations posts is essential for maintaining current and accurate documentation and to ensure that records reflect the correct status of material for deployment to missions.

Technical Support Services/Transport Section

Justifications

Senior Vehicle Mechanic (GS-4 (2))/(GS-5 (4)): [6]

When UNLB was given the new mission of the strategic deployment stocks (SDS), no additional United Nations mechanic posts were given to the Transport Section. The Section is still maintaining the UNLB, United Nations Reserve and SDS fleets, totalling more than 1,300 assets, with only two United Nations staff mechanics. The gap is filled with 16 individual contractors. Though United Nations Reserve and SDS fleets will continue to be supported by individual contractors, additional United Nations staff mechanics are vital to act as quality assurance, supervisors and trainers for the independent contractor mechanics.

United Nations staff posts are required instead of independent contractors because of the technical training required for maintenance. Training is provided by the vendors on a regular basis and is vital for the proper maintenance of the fleets. By regulations independent contractors are not authorized to receive training, and it is impossible to find mechanics on the local market who are versed in the 92 different types of equipment specific to the SDS fleet acquired from 27 manufacturers (i.e. Nissan, Toyota, Renault, Hyster, Hyundai, Caterpillar etc.) and incorporating a wide range of technologies. An additional six United Nations posts are required to provide properly trained mechanics in the workshop.

Drivers (GS-3): [2]

Currently the Logistics Base has no United Nations drivers. All daily driving requirements are handled by independent contractors. UNLB is home to DPKO's Centre of Excellence, which provides over 100 courses per year averaging 65

students a week requiring daily transportation to and from training. In addition, the SDS fleet will be stored at San Pancrazio/San Vito, which is located 45/10 km from UNLB. Every time a piece of equipment requires heavy maintenance, a properly licensed driver is required to move it from and to the site. The driver also acts as a first-level mechanic handling all basic user level maintenance on the vehicle fleet. These functions require a United Nations staff member who is authorized to attend training and become licensed on all vehicle types. For the past several years this requirement has been filled by independent contractor staff on a full-time basis.

Store man (GS-4): [2]

Transport Section has only one United Nations store man for the Transport warehouse. The current stock of $3 million in spare parts and consumables is expected to grow with the arrival of the full SDS fleet by an additional $2 million and 4,000 line items. This large inventory is currently managed by three independent contractors. Vehicles are becoming increasingly complex as are the manufacturers' spare parts systems and United Nations accounting tools. As independent contractor staff are not authorized to attend off-site vendor technical training, it is becoming increasingly difficult to sustain an ever-growing stores inventory using staff with an uncertain future and with technical skills that cannot be developed significantly. Without properly trained staff, the warehouse cannot function. Their stores management function is a long-term requirement and as such a minimum of two additional United Nations positions are required.

Technical Support/Communications and Information Technology Section

Justifications

The increased workload of Communications and Information Technology Section (CITS) staff in support of the DPKO wide area network/hub (WAN) for the support of missions and agencies and UNLB Campus Area Network for UNLB staff and sections is evident in the rise in the number of services provided, the number of users served and the quantities of equipment being installed and maintained for United Nations Reserve, SDS, and UNLB assets. These are summarized below:

- The information technology and communications equipment allotment has increased by 412 per cent from $1.6 million in 2002/03 budget year to $7.6 million in 2003/04 budget year and $8.2 million in the current (2004/05) budget year.
- The total material release order processed increased by 70 per cent from 162 (valued $23.5 million) in 2002/03 budget year to 275 (valued $24.4 million) in 2003/04 budget year.
- On the local CITS support, the number of supported staff increased by 65 per cent from 189 in 2002/03 budget year to 312 in 2003/04 budget year. Majority of the increase is in individual contractors and International Computing Centre staff.
- Mission services, such as the DPKO wide area network have also increased dramatically. For example, web-hosting services, backup of mission data for disaster recovery purpose, centralized Internet services, Tier III type of help

desk support, satellite services and telephony services are among the services that have increased dramatically in the last three years.

To ensure stability of the workforce, professionalism, accountability, knowledge in technology and United Nations rules, regulations and policies, it is essential that independent contractor positions performing core functions be converted to United Nations posts. Unless they are United Nations staff, UNLB is unable to train the staff to improve technical competence, security and efficiencies in the services. With higher responsibility also comes the need to ensure that they are bound by the same staff rules, regulations and ethics as United Nations staff.

Storekeepers (GS-4): [6]

The CITS warehouses will manage, receive, ship SDS/United Nations Reserve/ UNLB CITS assets valued stocks, in average, 13,400 items valued at US$ 47 million with SDS at maximum capacity, 320 items valued US$ 5.7 million in Field Administration and Logistics Division-Office for the Coordination of Humanitarian Affairs, 3,500 items valued $18.5 million in UNLB and 2,025 items valued $4.2 million in United Nations Reserve. The services provided include processing material release orders for SDS and United Nations Reserve; support to receiving and inspection actions for SDS, United Nations Reserve and UNLB assets and maintaining CITS inventory of assets in stock and in-use. These tasks are being performed by six independent contractors in addition to daily work delivering and receiving CITS assets for maintenance and transfer purposes, performing monthly walk-through inventory of main CITS operational areas (NCC/Satellite Farm) and processing write-off assets. These six positions perform functions that need to be covered by United Nations staff posts to enable CITS to train and provide more efficient and secure service for UNLB and missions.

Administrative Assistants (GS-5 x 1, GS-4 x 1): [2]

Owing to increased CITS activities, administrative support tasks have also increased. To manage the increase, CITS has employed two independent contractor personnel to cope with daily administrative work, including in the area of CITS human resources (leave, training, attendance, etc.), raising/reviewing requisitions, monitoring and reporting budget and expenditures, managing training plans and coordination with vendors and missions for the repair and maintenance of DPKO CITS equipment. These two positions perform functions that need to be undertaken by United Nations staff to enable UNLB CITS to train the staff and provide more efficient and secure service for UNLB and missions.

IT and Communication Technicians (GS-4): [12]

The functions presently provided by independent contractors include maintenance of satellite trailers, broadcast studios, mobile deployable telecommunications system and rapidly deployable telecommunications system systems and maintenance and upgrade of SDS, United Nations Reserve, and UNLB assets. In addition, independent contractors support the UNLB campus network, UNLB Helpdesk and Centre of Excellence. Many of these functions concern not only UNLB but extend to the critical support provided by UNLB to missions and to the DPKO capacity to rapidly establish new missions. The skill sets required imply high levels of training in the use of sophisticated technical equipment, a long-term

approach to ensure quality of service and consistency. These are not compatible with the short-term use of independent contractor staff. The addition of 12 United Nations posts in lieu of 12 independent contractor staff will enable UNLB CITS to train and provide more efficient and secure service for UNLB and missions retaining all investment spent on training.

Technical Support/Supply and Warehousing Section

Justification

Impact of the SDS programme on UNLB is profound. This programme, worth about US$ 140 million has substantially increased the activity at UNLB. Without any mission being established it is reckoned that 60 per cent [$84 million] of SDS will undergo a change, i.e. 30 per cent [$42 million] of SDS coming in and 30 per cent of SDS going out and 40 per cent [$56 million] of SDS staying in UNLB awaiting shipment. As per General Assembly document A/56/871 dated 14 March 2002, UNLB also provides receiving and inspection on all equipment shipped to UNLB but destined for other missions. This reflects a clear increase in all supply and property management units' activity.

The scope of core activity has expanded owing to SDS factors. The opening of new missions and downsizing missions will result in surges of activity. The surges can be handled by the use of individual contractors [independent contractors].

Receiving and Inspection Clerk (GS-4): [3]

Three (3) additional United Nations staff posts are required in the Receiving and Inspection Unit to provide sufficient trained and experienced staff to undertake and supervise duties that include inspection, configuration of equipment, entering the items into the inventory, searching for information, liaising with United Nations HQ technical sections and vendors, verifying data, following up on discrepancies and keeping accurate records. The three additional United Nations posts required are two Cargo Inspectors and one Receiving and Inspection Clerk, with the functions of data entry of equipment in the Galileo system. Receiving and Inspection is presently staffed by one United Nations international staff and four independent contractors performing these functions. One United Nations staff member is not sufficient to perform the functions of receiving and inspection effectively and three additional United Nations staff members are required to meet the increased demands of the quantity and complexity of SDS equipment.

Property Control and Inventory Unit Clerks (GS-4): [2]

Property Control and Inventory Unit is monitoring, physically verifying and reporting on a much higher volume of United Nations-owned equipment. These functions include: check and analyse newly received assets, follow-up on shipped assets to ensure receipt by mission, update inventory records in respect to written-off and disposed assets, conduct physical verification of non-expendable property, monitor all electronic transfers, create inventory reports (monthly, financial year-end and customs, and various management reports as required) in respect of all three inventories maintained by UNLB. The Unit presently has one international staff member and five independent contractors in full-time positions to carry out routine tasks in this area. Two additional United Nations posts are required to provide

properly trained staff capable of undertaking and supervising these tasks and to be deployable for short-term assignments to missions to assist with a major influx of new equipment.

Administrative Clerks, Materials Management (GS-4): [3]

The stocks coming in to UNLB and the shipment of SDS to missions requires the preparation of extensive document processing, customs clearances, contracts for shipping, insurance and other related services. This has created an increased workload in the Movcon and Materials Management Unit areas. Key tasks include: control all incoming and outgoing cargo deliveries, arrange customs clearance authorization for incoming and outgoing cargo, follow-up on consignment delivery to missions, agencies, United Nations HQ, initiate and oversee insurance claims, update the material release order database and material release order case file on the status of preparation of each authorized material release order, produce operations planning sheets to allow a correct overview of the outgoing shipments under preparation, control and follow-up on status of outgoing shipments to ensure that cargo is received by peacekeeping missions within 30 days of commitment authority or in the shortest time possible, coordinate with vendors delivery of goods to UNLB in accordance with contract arrangements, and handle the traffic flow of cargo within UNLB facilities. Currently, the Materials Management Unit is composed of five United Nations staff members. Activities have increased considerably with the implementation and rotation of SDS, making it essential that three additional United Nations staff positions be approved to ensure fully trained and experienced staff are available to perform these key functions.

Store worker, General Supply and Warehousing (GS-4): [2]

Warehousing involves the physical handling of stores, stuffing them into shelving and containers, moving them on the base, loading aircraft, making containers ready for shipment to missions. Key tasks include: selection of materials in response to headquarters issued material release orders on a first in-first out basis to ensure stock rotation, provide material availability status reports in response to material release orders issued by Logistics Support Division/Office of Mission Support/ DPKO, operate small capacity mechanical handling equipment, including electrical equipment such as trilateral forklifts, prepare and pack SDS stores for transfer to peacekeeping missions, perform physical stock checks and stock reconciliation of inventory against receipt and issues in order to maintain an updated and accurate record of all equipment in stores. The increased turnover of SDS material and the handover of a new SDS warehouse (6,800m^3) requires the increase of one experienced and trained United Nations staff on a long-term basis to supervise the management of the warehouse operations and to guarantee the readiness of the SDS stores and the management of inventories in that warehouse.

Annex V

The 56 independent contractors represent personnel for non-core functions and surge requirements budgeted for an estimated 10 months per independent contractor during the budget period 2005/06. The estimates for these 56 independent contractors are reflected for seven months under "Facilities and Infrastructure", "Ground Transportation", "Communications" and "Information Technology". However, for the last three months UNLB plans to sub-contract the 56 independent contractors and therefore the related requirements are shown under "Other supplies, services and equipment". UNLB would require the first nine months of the budget period to prepare the tender documentation and complete the procurement process which will also require Headquarters Committee on Contracts approval. After 1 April 2006, independent contractor contracts will cease and all non-core and surge capacity will be managed through the sub-contract.

Overall estimated cost of 56 independent contractors

Rate	= $3,710/month
Three month cost	= $3,710 x 3 x 56 independent contractors = $623,280
15 per cent management fee	= $93,492
One time establishment fee	= $60,000
Total cost	= $776,772

Functional titles of 56 independent contractors

No. of staff	*Title*	*Section*
1	Administrative Clerk	Communications and Information Technology Section
5	Communications Technician Assistant	Communications and Information Technology Section
1	Help Desk Dispatcher	Communications and Information Technology Section
1	Information Technology Programmer Assistant	Communications and Information Technology Section
1	Information Technology Technician Assistant	Communications and Information Technology Section
1	Maintenance Clerk Assistant	Communications and Information Technology Section
1	Maintenance Technician Assistant	Communications and Information Technology Section
1	Store Clerk Assistant	Communications and Information Technology Section
4	Storekeeper Assistant	Communications and Information Technology Section
16		

No. of staff	*Title*	*Section*
2	Administrative Clerk	Engineering
1	Generator Electrician	Engineering
3	Carpenter	Engineering
1	Electrician	Engineering
1	Generator Mechanic	Engineering
1	Metal Carpenter	Engineering
1	Storekeeper Assistant	Engineering
1	Technical Designer	Engineering
2	Plumber	Engineering
13		
1	Administrative Clerk	Supply and Property Management
1	Driver	Supply and Property Management
3	Inventory Clerk	Supply and Property Management
1	Metal Carpenter	Supply and Property Management
5	Receiving and Inspection Inspector	Supply and Property Management
8	Storekeeper Assistant	Supply and Property Management
19		
2	Administrative Clerk	Transport
1	Auto Electrician	Transport
1	Driver	Transport
1	Panel Beater	Transport
1	Storekeeper Assistant	Transport
1	Vehicle Body Repairman	Transport
1	Vehicle Mechanic	Transport
8		
56		

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Agenda items 123 and 135 (b)

Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Financing of the United Nations peacekeeping forces in the Middle East: United Nations Interim Force in Lebanon

Financial performance report for the period from 1 July 2003 to 30 June 2004 and proposed budget for the period from 1 July 2005 to 30 June 2006 of the United Nations Interim Force in Lebanon

Report of the Advisory Committee on Administrative and Budgetary Questions

Appropriation 2003/04	$90,000,000
Expenditure 2003/04	$89,896,000
Appropriation 2004/05	$92,960,300
Proposal submitted by the Secretary-General 2005/06	$94,277,700
Recommendation of the Advisory Committee 2005/06	$94,277,700

I. Introduction

1. **The Advisory Committee is recommending acceptance of the Secretary-General's proposal for the United Nations Interim Force in Lebanon (UNIFIL) for the period from 1 July 2005 to 30 June 2006. However, the Committee, in the present report, makes several observations and recommendations regarding the administration and management of the Force and opportunities for further savings.**

2. **The Advisory Committee's general report on peacekeeping operations (A/59/736) contains its views and recommendations on cross-cutting issues. The**

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Committee therefore deals in the present report with resources and other items relating specifically to UNIFIL.

3. The documents used by the Advisory Committee in its consideration of the financing of UNIFIL are listed at the end of the report.

II. Financial performance report for the period from 1 July 2003 to 30 June 2004

4. On the recommendation of the Advisory Committee, the General Assembly, by its resolution 57/325 of 18 June 2003, appropriated to the Special Account for UNIFIL the amount of $90 million gross ($86,200,900 net) for the period from 1 July 2003 to 30 June 2004. The total amount has been assessed on Member States.

5. Expenditures for the period totalled $89,896,000 gross ($85,555,700 net), which is $104,000, or 0.1 per cent, lower than the appropriation of $90 million.

6. The mission's unutilized balance of $104,000 was a combination of savings and additional requirements under various line items. First, the savings were attributable to lower requirements for repairs and maintenance, an improvement in ration control management, a common rations contractor with the United Nations Disengagement Observer Force (UNDOF) and a national staff vacancy rate of 3 per cent instead of the initially planned zero per cent. Second, requirements in excess of the budget under standard troop cost requirements were due to additional payments to troop-contributing countries after contested amounts regarding troop strength from prior periods were clarified. Budgetary overruns also occurred under international staff salaries and included costs incurred as a result of administering staff present at UNIFIL as well as staff away on temporary duty assignment (106 international and 41 national staff). Excess requirements in commercial communications resulted primarily from equipping UNIFIL vehicles with the CarLog system.

7. The comments of the Advisory Committee on the information on individual expenditure objects contained in the performance report can be found in the discussion of the proposed budget for the period from 1 July 2005 to 30 June 2006 in the paragraphs below.

III. Information on performance for the current period

8. Rather than including standard statistical data on performance for the current period in each of the individual peacekeeping reports, this time, owing to various constraints, it has been necessary to supply this type of information in consolidated tables, which are annexed to the Advisory Committee's general report on peacekeeping operations (A/59/736). The information to be provided covers the following: (a) expenditure for the current period; (b) current incumbency; (c) status of reimbursement for troop/formed police costs, contingent-owned equipment and death and disability; (d) cash position of the missions; and (e) status of contributions.

IV. Proposed budget for the period from 1 July 2005 to 30 June 2006

9. **The Advisory Committee commends UNIFIL for continuing its efforts to use results-based budgeting techniques in its budget document and notes the noticeable improvements made. However, the Committee observes that not all measurable performance indicators were quantified. The Committee reiterates its request from its previous report on UNIFIL (A/58/759/Add.6, para. 12) that indicators of achievement that are capable of being measured should be quantified to allow an objective analysis of progress made, namely under expected accomplishments 1.1 and 1.2 (A/59/626). The Committee notes that measurable indicators are regularly provided in reports of the Secretary-General to the Security Council. This information could easily be integrated into the results-based budgeting format.**

1. Military and civilian police personnel

Category	*Approved 2004/05*	*Proposed 2005/06*
Military contingents	2 000	2 000

10. Cost estimates for military contingents for the period 2005/06 total $39,143,100, representing a decrease of $1,493,900 (3.7 per cent) as compared to 2004/05. The bulk of the decrease, $1,118,100, is a result of a lower cost estimate for military rations. The Advisory Committee notes that the 2003/04 performance report indicates savings of $955,000, or 21.4 per cent, under the rations line item. The Secretariat informed the Committee that fluctuations in rations expenses and improvements in rations management over recent budget periods resulted from: (a) a change in vendor, which temporarily resulted in lower service quality; and (b) regional cooperation with the introduction of a common rations contractor with UNDOF. The Secretariat pointed out that future currency fluctuations may result in budget overruns and/or cost increases in future performance reports and budgets. The current rations contractor is procuring most of its supplies in Europe and, owing to recent currency market volatility, this may adversely affect United States dollar-denominated invoices. **The Committee commends UNIFIL and Headquarters for working together to introduce improved rations inventory and distribution controls and for enhancing regional cooperation in establishing a common rations contractor with UNDOF. The Committee recommends that UNIFIL, in close cooperation with Headquarters, continue to monitor the cost and quality of rations provided by the current vendor.**

11. The Advisory Committee notes a cost overrun of $2,004,900, or 6.8 per cent, in standard troop cost reimbursement. As indicated above, the Secretariat explained that additional requirements were necessary to meet troop cost reimbursement claims relating to prior periods but settled during the 2003/04 budget period.

2. Civilian personnel

Category	*Approved 2004/05*	*Proposed 2005/06*
International staff	125	125
National staff	303	339

Recommendations on posts

12. *Conversion of 36 special service agreement contractors to national General Service staff (A/59/654, table 3).* The Advisory Committee notes that a request was made for the budget period 2004/05 to convert 45 contractors holding special service agreements to national General Service staff. In response, the Committee noted in its previous report (A/58/759/Add.6, para. 16) that it was not convinced that sufficient justification was provided in the budget submission. At that time, the Committee did not recommend acceptance of the proposed conversion.

13. The Advisory Committee was informed that the functions proposed for conversion to national General Service staff were core functions and provided essential services to UNIFIL. Following a review, UNIFIL reduced the proposed number from 45 functions during 2004/05 to 36 for 2005/06, as illustrated in the table below.

	Proposal 2004/05	*Proposal 2005/06*	*Year of entry under Special Service Agreement*
Interpreters/Translators	16	16	1978: 1 1984: 2 1985: 2 1986: 1 1987: 2 1988: 1 1992: 1 1998: 1 2002: 4 2004: 1
Information Technology Assistants	2	2	2002: 2
Radio Technicians	6	3	2001: 3
Communications Assistants/ Switchboard Operators	6	3	2001: 1 2002: 2
Liaison/Humanitarian Assistants	1	1	1980: 1
Drivers/Operators	6	6	1993: 1 1999: 4 2000: 1
Design Engineer (Civil Engineer)	1	1	2001: 1
Heavy Engineering Vehicle Mechanic	1	1	1992: 1
Sewage Truck Operator	1	1	1987: 1
Engineering Assets Supervisor	0	1	2000: 1
Demining Assistant/Interpreter	0	1	2002: 1

	Proposal 2004/05	*Proposal 2005/06*	*Year of entry under Special Service Agreement*
Cook/Carpenter/Welder/Tiler	5	0 (not considered core functions)	—
Total	**45**	**36**	

Cost comparison	
Annual cost of 36 individual contractors following conversion to national General Service staff	$1 696 464 ($47 124 per staff)
Annual cost of 36 individual contractors maintaining status quo as individual contractors	$576 000 ($16 000 per special service agreement)
Increase in annual resource requirement following conversion of 36 individual contractors to national General Service staff	$1 120 464

14. The Advisory Committee notes that the annual cost of converting staff is approximately three times that of employing individual contractors. Upon request, the Secretariat explained that an outsourcing arrangement would not be practical or financially viable because: (a) there were no companies in the southern Lebanon area that would provide the needed services; (b) outsourcing companies did exist in Beirut, however there was an apparent reluctance to do business in southern Lebanon; (c) an outsourcing company would most likely charge overhead costs that would equal or exceed the cost of absorbing the 36 individuals into the staffing table; and (d) the 36 individuals were already fully trained and it would be impractical to hire new labourers via an outsourcing arrangement. **The Committee regrets, however, that no expression of interest or invitation to bid was issued to explore outsourcing opportunities more concretely.**

15. **This situation has placed the Advisory Committee in a difficult position. Proper budgetary procedure requires that continuing functions be carried out by staff occupying established posts. The Secretariat over the years has consistently misused the provision for special service and individual contractor agreements. The result is a large number of cases that have been improperly treated and that need to be regularized. This has an attendant financial implication that reflects the accumulated cost of the failure to observe proper budgetary procedures over a number of years.**

16. **The Advisory Committee has found no basis to conclude that the functions described, which have been performed for many years and will be required in the future, are not of a continuing nature. The Committee emphasizes that proper budgetary procedure would have required specific proposals to have been made and justified for each and every post and/or function as the need arose. The Committee expects that proper procedure will be followed without variation in future. The Committee requests that future budget submissions contain detailed performance information on individual contracts that have**

been issued as well as any projected use of this arrangement in the forthcoming period. In order to correct the situation and to restore budgetary transparency, the Committee will not object to a one-time across-the-board conversion. The Committee provides more detail on this matter, which, in fact, affects a number of missions as well as the United Nations Logistics Base at Brindisi, in its general report.

Other observations and recommendations

17. The Advisory Committee followed up on its request contained in its previous report (A/58/759/Add.6, para. 20) that UNIFIL undertake measures to decrease the number of its staff on temporary duty assignment to other missions and Headquarters. A comparison of staff on temporary duty assignment during 2004 and 2005 is provided in the table below.

The table indicates the following:

- International staff: of 107 encumbered posts in 2005 (115 in 2004), 93 staff, or 87 per cent (106 staff, or 92 per cent, in 2004), were away on temporary duty assignment and replaced by temporary staff
- National staff: of 298 encumbered posts in 2005 (296 in 2004), 18 staff, or 6 per cent (41 staff, or 14 per cent, in 2004), were away on temporary duty assignment and replaced by temporary staff

	2004	*2005*
		Staff on temporary duty assignment
International staff	106 (1 P-3, 105 Field Service)	93 (1 P-5, 1 P-4, 1 P-3, 90 Field Service)
National staff	41	18
Total	**147**	**111 (24 per cent less than in 2004)**
		Posts encumbered
International staff	115	107
National staff	296	298
Total	**411**	**405**

18. The Advisory Committee takes note of the overall 24 per cent reduction in staff on temporary duty assignment in 2005. While the bulk of the decrease was for national staff, there was no significant change in the number of international staff away on temporary duty assignment. Nonetheless, the Committee welcomes the apparent initial effort to reduce staff on temporary duty assignment. UNIFIL clarified that its staff were in demand during missions' start-up phases, as they were seen as experienced and skilled personnel, particularly in the areas of logistics and administration. However, it was not always possible to expeditiously replace staff that were away on temporary duty assignment. Also, temporary staff hired specifically as a replacement for staff on temporary duty assignment were charged to and administered by UNIFIL, whereas staff away on temporary duty assignment

were charged to the mission to which they were assigned but were still administered by UNIFIL. The mission also indicated that the extra cost incurred by UNIFIL in administering replacement staff, in addition to staff away on temporary duty assignment, has not been quantified. **The Committee expresses concern that UNIFIL and other established family missions may be used as a training ground for staff earmarked for other missions. The Committee also notes that the temporary duty assignment model for staffing start-up and other missions is the most expensive way of providing service, particularly in the case of multi-year absences from the parent duty station. There is an increasing number of experienced staff who rotate between missions, as well as between missions and Headquarters. The Committee trusts that a new approach will be explored to ensure more flexibility when it comes to the deployment of such staff to avoid burdening staffing resources at one or two missions.**

19. The Advisory Committee points out that UNIFIL continues to have a large number of Field Service staff, a total of 76. **The Committee recommends that UNIFIL initiate a review of Field Service staff functions with a view to identifying those posts that can be replaced by national staff.**

3. Operational costs

Apportioned 2004/05: $20,376,700

Proposed 2005/06: $21,196,900

Official travel

20. The UNIFIL estimate for official travel for both training and non-training purposes during the 2005/06 period amounts to $335,100, which is a 10.9 per cent decrease from the previous period. Official non-training travel requirements would be reduced to $185,100, or 18 per cent, while official training travel requirements would remain unchanged at $150,000. **The Advisory Committee notes the successful efforts of UNIFIL to reduce travel expenses. The Committee is also encouraged by the increased use of integrated communication facilities, such as videoconferences, to ensure an efficient and effective field and Headquarters communication exchange as a tool to make managerial and working-level decision-making transparent.**

21. The Advisory Committee appreciates the efforts of UNIFIL to ensure that visits by Headquarters representatives to the region are organized in such a way as to also include UNDOF and the United Nations Truce Supervision Organization. **However, the Committee recommends that UNIFIL ensure that all aspects of such visits are charged on a cost-sharing basis, including air transport charges.**

Training

22. While the Advisory Committee commends UNIFIL on the overall reduction in travel expenditure, it also questions the cost overrun of $38,900, or 24.9 per cent, for official travel related to training during 2003/04. The Administration provided information showing the participation of UNIFIL staff in two courses organized by the Inter-Agency Procurement Services Office. One training course was held in Vienna from 9 to 11 June 2004 with 22 participants, including 1 from UNIFIL. Another course was held in Bangkok from 10 to 12 March 2004 with eight

participants, including five from UNIFIL. While acknowledging the value of training, the Committee questions the logic of sending a group of five UNIFIL staff for one course during the same year. The Committee believes that it would have been more cost-effective and equally efficient to "train the trainers" by sending staff who in turn could have instructed other UNIFIL staff. **The Committee emphasizes that training should be based on operational needs. The Committee expects that in future the mission will plan better so as to avoid sending clusters of staff away on one course at the same time.**

23. The Advisory Committee notes from supplementary information provided to it that a total of 306 staff are to be trained during 2005/06. In comparison, a total of 499 staff were trained during 2003/04 and some presumably participated in multiple courses, as the incumbency of UNIFIL during the same time frame was 412 (116 international and 296 national staff). The Committee notes that while UNIFIL is an established mission, a high number of staff continue to be trained. The Committee points out that listing the number of staff members trained and juxtaposing them with the number of staff who have left the mission or transferred since their training will inevitably result in some individuals being counted at least twice, considering that some participated in more than one course. The Committee also notes that the presence of three satellite stations presents a good opportunity for the mission to provide hands-on technical training at UNIFIL instead of sending staff for such training to the United Nations Logistics Base. The Committee also notes that some training can be conducted online or via videoconference. **The Committee recommends that UNIFIL continue to explore opportunities to hold more on-site training at their headquarters. The Committee notes that, for 2005/06, fewer staff are to be trained and that, as recommended in its previous report (A/58/759/Add.6, paras. 24 and 25), outputs and indicators of achievement were included in the training requirements table. The Committee expects that in its continuing efforts, UNIFIL will match the training programme with the actual operational need of the mission.**

Facilities and infrastructure

24. The Advisory Committee acknowledges the overall positive trend to reduce inventory holdings. The Committee also notes fluctuations in some equipment inventory levels indicating that excess equipment had accumulated over time. Upon enquiry, the Committee was informed that UNIFIL had succeeded in reducing its inventory value from $131 million to $79.6 million. The Committee commends the significant progress made by UNIFIL in identifying obsolete equipment. Upon enquiry, the Committee received a detailed table indicating that the ratio of desktop and laptop computers was within standard ratios. **Nonetheless, it requests that the mission continue to monitor and control its computer equipment holdings to ensure that they are in line with the standard ratios.**

25. The Advisory Committee notes that, although projected increases in inventory holdings were listed in the supplementary information provided to it, there was no related cross-referenced narrative under the proposed budget line items. **The Committee requests that in future submissions, narrative explanations are provided for tables.**

Ground transportation

26. The Advisory Committee notes that savings of $1,019,100, or 63.9 per cent, were realized under the 2003/04 repairs and maintenance line item. The unspent balance was due primarily to the transfer of six SISU armoured personnel carriers to UNDOF in 2004/05. Upon enquiry, the Committee received information on the United Nations-owned armoured personnel carriers at UNIFIL. The total number of armoured personnel carriers planned for UNIFIL in 2005/06 is 50. The Secretariat explained that the armoured personnel carriers had been acquired under the old methodology of reimbursement for contingent-owned equipment and were therefore considered to be United Nations-owned equipment (see breakdown in the table below).

	Type of armoured personnel carrier	
	SISU	*VAB*
Beginning United Nations-owned equipment inventory	48	23
To UNDOF in 2004/05	(6)	—
Written off/disposed of in 2004/05	—	(15)
Subtotal	**42**	**8**
Total as at 1 July 2005: 50		

27. The Advisory Committee welcomes the armoured personnel carriers maintenance-sharing agreement between UNIFIL and UNDOF and trusts that due account of it will be taken as a best practice for possible application in other regions where there are multiple peacekeeping operations. That having been said, the Committee points out that UNIFIL is a mission at which a significant number of armoured personnel carriers are United Nations-owned, having been acquired under the old methodology for reimbursement of contingent-owned equipment. **The Committee is concerned that maintenance costs for aged equipment might be inordinately high. The cost effectiveness of utilizing such vehicles should be reviewed as a matter of priority.**

Petrol, oil and lubricants

28. The budget for petrol, oil and lubricants is estimated under: (a) facilities and infrastructure at $2,691,500 with a 50.8 per cent increase ($907,200) from the previous period; (b) under ground transportation at $1,311,300 with a 43.5 per cent increase ($397,400); and (c) under air transportation at $154,000 with 40 per cent increase ($44,000). Additional overall requirements for petrol, oil and lubricants are estimated at $1,348,600 as compared to the previous period. UNIFIL informed the Advisory Committee that fuel prices had increased significantly. During 2004/05, one litre of petrol was budgeted at 27 cents but had increased since then to 42.2 cents. The Advisory Committee notes that the UNIFIL budget estimate reflects an expectation of more fuel price fluctuations during 2005/06.

V. Conclusions of the Advisory Committee

29. The action to be taken by the General Assembly in connection with the financing of UNIFIL for the period from 1 July 2003 to 30 June 2004 is indicated in paragraph 18 of the performance report (A/59/626). **The Advisory Committee recommends that the unencumbered balance of $104,000, as well as other income and adjustments in the amount of $8,359,000, be credited to Member States in a manner to be determined by the General Assembly.**

30. The action to be taken by the General Assembly in connection with the financing of UNIFIL for the period from 1 July 2005 to 30 June 2006 is indicated in paragraph 22 of the proposed budget (A/59/654). **In view of its comments above, the Advisory Committee recommends acceptance of the Secretary-General's proposal for the United Nations Interim Force in Lebanon.**

Documentation

- Performance report on the budget of the United Nations Interim Force in Lebanon for the period from 1 July 2003 to 30 June 2004 (A/59/626)
- Proposed budget for the United Nations Interim Force in Lebanon for the period from 1 July 2005 to 30 June 2006 (A/59/654)
- Report of the Advisory Committee on Administrative and Budgetary Questions on the financial performance report for the period from 1 July 2002 to 30 June 2003 and proposed budget for the period from 1 July 2004 to 30 June 2005 of the United Nations Interim Force in Lebanon (A/58/759/Add.6)
- General Assembly resolutions 57/325 and 58/307 on the financing of the United Nations Interim Force in Lebanon
- Report of the Secretary-General on the United Nations Interim Force in Lebanon (S/2005/36)
- Security Council resolution 1583 (2004)

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Agenda items 123 and 135 (a)

Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Financing of the United Nations peacekeeping forces in the Middle East: United Nations Disengagement Observer Force

Financial performance report for the period from 1 July 2003 to 30 June 2004 and proposed budget for the period from 1 July 2005 to 30 June 2006 of the United Nations Disengagement Observer Force

Report of the Advisory Committee on Administrative and Budgetary Questions

Appropriation 2003/04	$40,009,200
Expenditure 2003/04	$39,743,800
Appropriation 2004/05	$40,902,100
Proposal submitted by the Secretary-General for 2005/06	$41,581,200
Recommendation of the Advisory Committee for 2005/06	$41,581,200

I. Introduction

1. **The Advisory Committee is recommending acceptance of the Secretary-General's proposal for the United Nations Disengagement Observer Force (UNDOF) for the period from 1 July 2005 to 30 June 2006. However, the Committee, in the paragraphs below, makes several observations and recommendations regarding the administration and management of the Force and opportunities for further savings.**

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2. The Advisory Committee's general report on the administrative and budgetary aspects of the financing of United Nations peacekeeping operations (A/59/736) contains its views and recommendations on cross-cutting issues. The Committee therefore deals in the paragraphs below with resources and other items specifically relating to UNDOF.

3. The documents used by the Advisory Committee in its consideration of the financing of UNDOF are listed at the end of the present report.

II. Financial performance report for the period from 1 July 2003 to 30 June 2004

4. On the recommendation of the Advisory Committee, the General Assembly, in its resolution 57/324 of 18 June 2003, appropriated to the Special Account for UNDOF the amount of $40,009,200 gross ($39,027,100 net) for the period from 1 July 2003 to 30 June 2004. The total amount has been assessed to Member States.

5. Expenditures for the period totalled $39,743,800 gross ($38,656,600 net), which is $265,400 or 0.7 per cent lower than the apportionment of $40,009,200 (see A/59/625, p. 2).

6. The unutilized balance of $265,400 was a combination of savings and additional requirements under various line items. Savings were mainly due to discounts received, early payment discounts, improved rations controls, lower communications costs, as well as savings in customs and freight costs, as materials for the mission's modernization programme were procured locally. The overexpenditures resulted primarily from increased expenses in areas such as air transportation costs for troop rotation, staff costs for both international and national civilian personnel following a routine salary review, as well as an unanticipated need for reconfiguring markers to make them more visible along the ceasefire line in the western area of the area of separation. Additional communications requirements arose as a result of the modernization programme, which improved and added communications equipment at UNDOF headquarters and at military outposts. Finally, a loss on foreign exchange transactions owing to currency fluctuations resulted in higher expenditure in the relevant line item.

7. The comments of the Advisory Committee on the information in the performance report on individual expenditure objects can be found in the discussion of the proposed budget for the period from 1 July 2005 to 30 June 2006 in the paragraphs below.

III. Information on performance for the current period

8. This year, for a number of reasons, it was not possible for the Secretariat to consistently provide the most up-to-date information on the following issues in time for inclusion in the reports of the individual peacekeeping operations: (a) expenditure for the current period; (b) current incumbency; (c) status of reimbursement for troop/formed police costs, contingent-owned equipment and death and disability; (d) cash position of the missions; and (e) status of contributions. This information is therefore being supplied in consolidated tables,

which are annexed to the Advisory Committee's general report on peacekeeping operations (A/59/736).

IV. Proposed budget for the period from 1 July 2005 to 30 June 2006

A. Mandate and planned results

9. **As in its previous report (A/58/759/Add.7), the Advisory Committee commends UNDOF for its continued use of results-based budgeting techniques. The Committee acknowledges the noticeable improvements made in the presentation of the results-based budgeting framework.**

10. **The Advisory Committee commends the UNDOF administration for the extensive three-year Force modernization programme.** According to UNDOF, the following has been achieved as a result of the programme:

- Reduction in infrastructure and logistics support: (a) the number of positions has been reduced by 10; (b) new/renovated facilities require less logistical support after becoming more self-sufficient, e.g. in water and sewage management; and (c) improved patrol and observation capacity.
- Improved communication facilities: (a) all positions were equipped with Internet access and, as required, with access to United Nations management software; (b) strengthening of communication links with the United Nations Truce Supervision Organization (UNTSO) and the United Nations Interim Force in Lebanon (UNIFIL), as well as with Headquarters and the United Nations Logistics Base (UNLB); (c) completion of a Communications and Information Technology Service building and an associated cable conduit network project at Camp Faouar to consolidate all of UNDOF headquarters communications.

11. The Advisory Committee notes that efficiency savings have as yet not been identified but recognizes that the focus of the force modernization programme was primarily on improving the operational activities of the military component. The Committee acknowledges that while some operational aspects may be intangible, the modernization programme will inevitably affect both the military and civilian components. For example, a reduction in the number of military positions would also result in a reduction of logistics support provided by the Administration and may have an effect on the number of vehicles or staff required for logistics and related functions. Also, the newly completed Communications and Information Technology Service building and the cable conduit network project would be equipped to support all UNDOF components, civilian and military. **The Advisory Committee expects an update by UNDOF on gains in terms of overall efficiency, economy and effectiveness as a result of the modernization programme.**

12. The Advisory Committee inquired about the role of UNDOF in mine-clearing activities within its area of responsibility. The Committee was informed that large-scale humanitarian mine clearing was not within the UNDOF mandate and that the host Governments were responsible for mine clearance, pursuant to the mandate contained in Security Council resolution 350 (1974) and extended in subsequent resolutions. However, UNDOF was active (a) in operational demining, i.e. in cases

when a mine surfaces on an UNDOF patrol route, the unexploded ordnance would subsequently be eliminated by UNDOF military personnel; and (b) in coordinating mine-awareness public relations activities with other organizations such as the United Nations Children's Fund (UNICEF).

B. Resource requirements

1. Military and civilian police personnel

Category	*Approved 2004-2005*	*Proposed 2005-2006*
Military contingents	1 037	1 047

13. According to the report of the Secretary-General (A/59/653) and the related supplementary information supplied to the Advisory Committee, a troop strength increase from 1,037 to 1,047 was authorized by Security Council resolution 1578 (2004). The Secretariat proposes a related budgetary increase of $124,300 in its document A/59/653 for the Force's standard troop-cost reimbursement. The Advisory Committee observes that, although resolution 1578 (2004) states that the Security Council has considered the report of the Secretary-General on UNDOF (S/2004/948), it does not explicitly approve, or even note, a change in troop strength. The Advisory Committee questions whether the Security Council's consideration of the report could be interpreted as an implicit authorization of the troop strength increase proposed in the report of the Secretary-General on UNDOF (S/2004/948). The Committee points out that troop strength changes not only carry financial implications but may also affect a mission's mandated activities. **While the Advisory Committee will not interpose an objection in this instance, it points out that the resource requirement for the additional military personnel appears to be based on a subjective interpretation of the text of Council resolution 1578 (2004). Despite the fact that this may have happened in the past, the Advisory Committee is of the opinion that requests for additional financial resources related to an increase in troop strength should be based on a clear indication by the Security Council.**

2. Civilian personnel

Category	*Approved 2004-2005*	*Proposed 2005-2006*
International staff	42	42
National staff	92	107

Recommendation on posts

14. *Reclassification of one P-3 Chief Civilian Personnel Officer post to the P-4 level, Division of Administration (A/59/653, table 3).* The proposed reclassification is proposed owing to increased training activities and in order to align with the level of Chief Civilian Personnel Officers at other missions of comparable size and to reflect additional responsibilities. The Committee points out that the overriding principle for reclassification should be based on operational needs instead of a mere synchronization of post levels, particularly in view of the fact that there is no

anticipated significant upsurge in staffing activity at UNDOF. **However, in view of the Committee's frequently stated position that it will not, as a rule, question proposed reclassifications to P-5 and below, it will not object in this instance.**

15. *One national General Service post as a receiving and inspection clerk at Camp Ziouani (A/59/659, table 3).* The Secretariat explained that receiving and inspection activities at Camp Ziouani were currently undertaken part-time by an administrative officer and that a full-time staff member was required to ensure efficient receiving and inspection operations at this camp. Military personnel also provided receiving and inspection functions at Camp Ziouani but, as they are rotated every six months, there was no continuity. The addition of a full-time receiving and inspection clerk at Camp Ziouani would ensure equal coverage at both camps, at Camp Ziouani and Camp Faouar; a full-time receiving and inspection clerk was already on-site at Camp Faouar. The Committee notes that the receiving and inspection clerk post at Camp Faouar is one of the three national General Service staff for which the Committee had requested rejustification (see below). **The Advisory Committee supports the establishment of the General Service post of receiving and inspection clerk at Camp Ziouani.**

16. *Conversion of 14 general temporary assistance posts to national General Service posts (A/59/653, table 3).* The Secretariat proposes the conversion of 14 general temporary assistance staff, following their conversion in 2004/05 from casual labourers, into 14 national General Service posts, as indicated in the table below.

	Proposal 2005/06[a]	*Grade/step*
Data-Processing Field Assets Control System/Galileo Assistant for General Services Section	1	G-3/1
Maintenance Technician for General Services Section	1	G-3/1
Registry and Archive Support for Procurement Section	1	G-3/1
Electrician for Engineering Section	2	G-3/1
Generator Mechanic for Engineering Section	1	G-3/1
Construction Technician/Mason for Engineering Section	2	G-2/1
Construction Technician/Painter for Engineering Section	1	G-2/1
Plumber for Engineering Section	1	G-2/1
Carpenter for Engineering Section	1	G-2/1
Draftsperson for Engineering Section	1	G-3/1
Water/Sewage Technician for Engineering Section	1	G-2/1
Senior Electrician for Engineering Section	1	G-4/1
	14	

[a] The 2005/06 proposal to convert 14 general temporary assistance to 14 national General Service staff is identical to the 2004/05 proposal to convert 14 casual labourers to general temporary assistance staff.

17. The Committee notes that general temporary assistance staff have entitlements and benefits that are similar to those provided staff on 100-series contracts serving

against established national staff posts. The main difference is that general temporary assistance staff can be issued contracts for a maximum of 11 months.

18. The Secretariat provided information indicating that during 2004/05, the 14 individuals received their first conversion from contractual services to general temporary assistance. The Committee notes the two-phased conversion, as illustrated in the table below.

Phase	*Action*	*Cost*	
1: 2004/05	14 casual labourers converted to 14 general temporary assistance staff		$37 500
2: (proposed) 2005/06	14 general temporary assistance staff proposed to be converted to 14 national General Service staff	Increase of proposed 2005/06 budget for national staff	Plus $329 226[a]
		Decrease of proposed 2005/06 budget for general temporary assistance	Less $153 900
		Cost of conversion	Net increase **$175 326**
	Total cost of conversion of 14 casual labourers to general temporary assistance to national General Service staff over two budget periods	**$212 826**	

[a] Increase mainly due to a change in the applicable salary scale and the grade at which individual national General Service staff would be budgeted.

- During phase 1 (2004/05), 14 casual labourers were converted to general temporary assistance staff. The cost was $37,500.
- During proposed phase 2 (2005/06), the same 14 individuals, now on general temporary assistance, would be converted to national General Service staff. The cost is estimated at $175,326.

19. The Secretariat explained that the disproportionate increase was due to the fact that: (a) the 14 staff, along with other staff at all General Service levels, would be budgeted under the heading national staff using level G-5, step 5, as a budgetary baseline but they would in actuality be paid according to their individual levels; and (b) the yearly salary review resulted in a 6.2 per cent upward salary scale adjustment. **The Advisory Committee notes that all proposed national General Service staff are well below the G-5 level. The Advisory Committee would have**

expected a brief written explanation reflecting the above-mentioned clarifications under the relevant budget line items in the submitted documents.

20. The Advisory Committee recalls that, in its report A/58/759/Add. 7 (para. 19), it was not convinced that sufficient justification was given for the proposed conversion of 14 casual labourer positions outsourced to an individual contractor into 14 general temporary assistance posts. Moreover, the Committee noted that efforts should be made by the administration of UNDOF to find suitable outsourcing arrangements, taking into account the comments on this matter in its general report on peacekeeping operations (A/58/759). The General Assembly, in its resolution 58/306 dated 28 July 2004, authorized the Secretary-General to fund the 14 contractual posts on the budget for the Force for the period from 1 July 2004 to 30 June 2005 through general temporary assistance. The General Assembly also requested a resubmission of this request with full justification in the context of the 2005-2006 budget proposal.

21. The Advisory Committee notes that proper budgetary procedure requires that continuing functions should be carried out by staff occupying established posts. The Committee has found no basis to conclude that the functions described, which have been performed for many years and will be required in the future, are not of a continuing nature. **In order to correct the situation and to ensure budget transparency, the Committee will not object to a one-time across-the-board conversion.**

22. *Rejustification of three national General Service posts (A/59/653, table 3).* The Advisory Committee in its report A/58/759/Add.7 (para. 18) requested a rejustification of three national General Service posts, namely one information technology assistant, one rigger and one receiving and inspection clerk at Camp Faouar. In so doing, the Committee noted again that the General Assembly in resolution 57/324 (para. 10) authorized the three posts for a period not to exceed one year. The Committee notes that the Secretariat had required the three posts in support of the UNDOF modernization programme, which is now in its final stages of successful conclusion. The rationale for the rejustification as provided in table 3 of the budget document describes the ongoing functions that have been assigned to these posts. **The Committee notes that a convincing rationale has been presented and recommends acceptance of this explanation.**

Other observations and recommendations

23. UNDOF currently has 27 Field Service posts, as well as six international General Service staff. The Committee queried whether there were ongoing efforts to identify posts that could be converted to national staff. **The Advisory Committee acknowledges the Force's intention to collaborate with the Office of Human Resources Management to conduct a structural and functional review to identify international posts for conversion to national posts. The Committee requests an update on the results.**

3. Operational costs

Apportioned 2004/05	*Proposed 2005/06*
$12 897 200	$13 066 500

24. The estimated operational requirements for the period from 1 July 2005 to 30 June 2006 result from a basket of decreases and increases under various budget line items leading to an overall increased budgetary requirement of $169,300, or 1.3 per cent, as compared to the previous budget period. Significantly lower expenditures were expected under (a) acquisition of accommodation equipment and under construction services due to the completion of the Force's modernization programme in 2004/05; (b) spare parts thanks to sufficient available inventory, thereby minimizing the need for new acquisitions; and (c) commercial communications thanks to a reduction in telephone and Internet rates. Higher expenditures were expected under: (a) acquisition of refrigeration equipment to replace two aged refrigeration containers; (b) acquisition of security and safety equipment to meet minimum operating security standards; (c) acquisition of vehicles; (d) repairs and maintenance; and (e) acquisition of operational maps to replace outdated existing maps.

Facilities and infrastructure

25. The Advisory Committee notes that several 2003/04 budget line items in the performance report's supplementary information under facilities and infrastructure indicated overexpenditure owing to unforeseen expenses: a need to install monitoring devices on vendors' fuel trucks; an unforeseen need to replace office furniture at Camps Faouar and Ziouani; and an unforeseen requirement for the rental of archiving premises in New York. The Committee understands that the latter was necessitated following a Headquarters review of the Force's archiving needs and a subsequent recommendation to scan and also physically transfer vital substantive and support documents to a secure Headquarters archival facility. **Nonetheless, the Advisory Committee emphasizes that budgetary estimates, particularly in those expenditure areas that are within the mission's and the Secretariat's direct planning capabilities, should reflect estimates based on solid planning assumptions to avoid overexpenditure.**

26. The Advisory Committee also noted significant fluctuations in some inventory holdings, for instance under office equipment, communications and computer equipment. The Secretariat subsequently provided information indicating that (a) with the introduction of the new Galileo inventory system, items valued at $500 or less were now included in inventory holdings, this was not the case under the old field assets control system; and (b) particularly in the areas of communications, equipment was upgraded to comply with the provisions of the newly introduced minimum operating security requirements. **The Advisory Committee acknowledges the reasons for fluctuations in the levels of inventory but emphasizes the importance of effective inventory control and management. The Advisory Committee will continue to follow up on this matter.**

Ground transportation

27. The Advisory Committee notes that the 2003/04 performance report indicates that eight Finnish-produced APC armoured personnel carriers were brought back into service after having been written off. This resulted in a $5,800 increase in related spare parts requirements. However, the proposed budget for 2005/06 indicates a decreased spare parts requirement of a total of $381,800, as compared with $773,800 for 2004/05 owing to sufficient on-site spare parts availability, presumably accumulated over a period of time. **On the basis of the above, the**

Advisory Committee concludes that budgetary overestimates were made dating back at least to 2003/04. It notes with satisfaction that the UNDOF administration has reviewed and reassessed its vehicle spare parts inventory so as to present a more realistic budget proposal in this regard for 2005/06.

Armoured personnel carriers

28. An amount of $685,600 is estimated for repairs and maintenance, primarily for armoured personnel carriers. This amount reflects an increase of $546,600, or 393.2 per cent, for the previous period for the maintenance of eight SISU armoured personnel carriers in 2005/06. The latter were previously written off and are now to be brought back into service to replace Nyala armoured personnel carriers, which UNDOF plans to retain until the SISU vehicles are fully operational. The SISU fleet is expected to be fully deployed and operational by the start of the 2005/06 period. The Committee was provided with the following information on the Force's armoured personnel carriers:

	Type SISU	*Type Nyala*
Beginning United Nations-owned equipment armoured personnel carrier inventory	14 (Incl. 6 from UNIFIL in 2004)	28
Temporarily written off: 8		
Brought back from write-off: 8		
To be obtained under wet lease, as contingent-owned equipment, during 2005/06	6	
To be phased out	—	(28)
Total	**20**	**0**

- Eight previously written off SISUs have now been brought back into service and are undergoing maintenance and repairs. Four SISUs are expected to be operational in April 2005, four in June 2005.
- Twenty-eight Nyala armoured personnel carriers are currently operational and will be phased out as the SISUs become operational. The Nyalas will then either be scrapped and/or cannibalized for spare parts or perhaps be transferred to another mission.
- UNDOF included a budgetary requirement of six SISU armoured personnel carriers to be obtained under contingent-owned equipment wet lease during 2005/06.
- UNDOF also included a proposed budgetary requirement for four additional armoured personnel carriers, which would replace those United Nations-owned equipment armoured personnel carriers that have reached the end of their useful service lives.

29. **The Advisory Committee was not provided with sufficient information to explain the underlying reasons why the Force's operational military planning**

arrived at the conclusion that Nyala armoured personnel carriers would no longer be suitable for military operations.

V. Conclusion of the Advisory Committee

30. The action to be taken by the General Assembly in connection with the financing of UNDOF for the period 1 July 2003 to 30 June 2004 is indicated in paragraph 19 of the performance report (A/59/625). **The Advisory Committee recommends that the unencumbered balance of $265,400, as well as other income/adjustments in the amount of $1,328,000, be credited to Member States in a manner to be determined by the General Assembly.**

31. **The action to be taken by the General Assembly in connection with the financing of UNDOF for the period 1 July 2005 to 30 June 2006 is indicated in paragraph 23 of the proposed budget (A/59/653). The Advisory Committee recommends acceptance of the Secretary-General's proposal for the United Nations Disengagement Observer Force.**

Documentation

- Report of the Board of Auditors on United Nations peacekeeping operations for the period from 1 July 2003 to 30 June 2004 ((A/59/5), vol. II, chap. II)
- Performance report on the budget of the United Nations Disengagement Observer Force for the period from 1 July 2003 to 30 June 2004 (A/59/625)
- Proposed budget for the United Nations Disengagement Observer Force for the period from 1 July 2005 to 30 June 2006 (A/59/653)
- Proposed budget for the United Nations Disengagement Observer Force for the period from 1 July 2004 to 30 June 2005 (A/58/662)
- Report of the Advisory Committee on Administrative and Budgetary Questions on the financial performance report for the period from 1 July 2002 to 30 June 2003 and proposed budget for the period from 1 July 2004 to 30 June 2005 of the United Nations Disengagement Observer Force (A/58/759/Add.7)
- General Assembly resolutions 57/324 and 58/306 on the financing of the United Nations Disengagement Observer Force
- Reports of the Secretary-General on the United Nations Disengagement Observer Force (S/2004/499 and S/2004/948)
- Security Council resolution 1578 (2004) of 15 December 2004

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Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Financing of the United Nations Mission for the Referendum in Western Sahara

Financial performance report for the period from 1 July 2003 to 30 June 2004 and proposed budget for the period from 1 July 2005 to 30 June 2006 of the United Nations Mission for the Referendum in Western Sahara

Report of the Advisory Committee on Administrative and Budgetary Questions

Appropriation 2003/04	$41,529,500
Expenditure 2003/04	$38,850,800
Appropriation 2004/05	$41,860,000
Proposal submitted by the Secretary-General 2005/06	$46,328,400
Recommendation of the Advisory Committee 2005/06	$45,641,800

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I. Introduction

1. **The recommendations of the Advisory Committee on Administrative and Budgetary Questions in paragraph 16 below would entail a reduction of $686,600 in the proposed budget for the United Nations Mission for the Referendum in Western Sahara (MINURSO) for the period from 1 July 2005 to 30 June 2006 (see A/59/629). The Advisory Committee also makes a number of observations and recommendations with regard to the administration and management of the Mission and opportunities for further savings.**

2. The Advisory Committee's general report on the administrative and budgetary aspects of peacekeeping operations (A/59/736) contains its views and recommendations on a number of cross-cutting issues. Consequently, in the paragraphs below, the Committee deals with resources and other items that relate specifically to MINURSO.

3. The documents used by the Advisory Committee in its consideration of the financing of MINURSO are listed at the end of the present report.

II. Financial performance report for the period from 1 July 2003 to 30 June 2004

4. On the recommendation of the Advisory Committee, the General Assembly, in its resolution 57/331 of 18 June 2003, appropriated to the special account for MINURSO $43,401,000 for the period from 1 July 2003 to 30 June 2004, inclusive of $41,529,500 gross ($38,488,500 net) for the maintenance of the Mission, $1,433,100 for the support account for peacekeeping operations and $438,400 for the United Nations Logistics Base at Brindisi, Italy. The appropriation represented a reduction of $933,800 from the proposed initial estimate of the Secretary-General of $42,463,300 (see A/57/772/Add.2). Expenditure for the period totalled $38,850,800 gross ($36,408,000 net) (see A/59/619, sect. III.A). The resulting unencumbered balance of $2,678,700 gross ($2,080,500 net) reflects a budget implementation rate of 93.5 per cent.

5. The unutilized balance of $2,678,700 gross ($2,080,500 net) was attributable primarily to lower requirements for international staff, owing to the completion of the work of the Identification Commission by 31 December 2003, earlier than planned, and the repatriation of all civilian police to their respective countries by 31 December 2003 following the transfer of the files and materials of the Identification Commission to a secure location at the United Nations Office at Geneva. Further savings were realized in a number of areas, including the placement of national staff at lower levels (G-3, step 1) than those of the posts approved (G-4, step 1), delays in the replacement of Government-provided observers from the African Union, less than planned official travel of the Special Representative of the Secretary-General owing to the stalled political situation, lower than planned costs for facilities and infrastructure negotiated in a new systems contract, reduced requirements for information technology equipment and rations because of the early completion of the work of the Identification Commission and, finally, lower than budgeted costs for the acquisition of vehicles and metal detectors provided by UNIKOM and the Logistics Base, respectively.

6. These savings were offset in part by additional requirements under air transportation for the replacement of three MI-8MT helicopters by three MI-8MTV helicopters at a higher rental cost, for operational and safety considerations, the MI-8MTV helicopter being considered more appropriate for desert conditions. Additional resources were also required for travel of military observers because of increased airfares, obligation of funds for troop costs for the 2001/02 period for which insufficient funds had been obligated during that period, payment of a consultant for training conducted during the prior period which had not been obligated during that period, an increase in the number of Earth stations for providing information and communication technology to remote team sites, and specialized medical consultations from private providers.

7. The Advisory Committee notes from section III.B of the performance report (A/59/619) that a total of $1,194,000 is indicated for other income and adjustments for the period, comprising $68,000 in interest income, $204,000 for other/miscellaneous income, $3,000 for prior-period adjustments and $919,000 in savings on or cancellation of prior-period obligations. The Committee notes that, in accordance with the request made in its previous report (A/58/759/Add.2), a breakdown and explanations concerning the prior-period obligations were provided (see annex I to the present report).

8. The comments of the Advisory Committee on the information in the performance report on individual objects of expenditure can be found, where relevant, in the discussion of the proposed budget for the period from 1 July 2005 to 30 June 2006 (A/59/629) in the paragraphs below.

III. Information on performance for the current period

9. This year, for a number of reasons, it was not possible for the Secretariat to consistently provide the most up-to-date information on the following issues in time for inclusion in the reports of the individual peacekeeping operations: (a) expenditure for the current period; (b) current incumbency; (c) status of reimbursement for troop/formed police unit costs, contingent-owned equipment and death and disability; (d) cash position of the missions; and (e) status of contributions. This information is therefore being supplied in consolidated tables, which are annexed to the Advisory Committee's general report on peacekeeping operations (A/59/736).

IV. Proposed budget for the period from 1 July 2005 to 30 June 2006

A. Mandate and planned results

10. In its resolution 1570 (2004) of 28 October 2004, the Security Council extended the mandate of the Mission until 30 April 2005, according to the status quo option proposed by the Secretary-General, maintaining MINURSO at its previous strength. In view of the lack of agreement between the parties and deadlocked political situation reported by the Secretary-General, the Security Council requested him to submit an interim report on the evolution of the situation

and on the Mission's size and concept of operation, with further details on the possible reduction of MINURSO staff, including administrative and civilian personnel, within three months of the adoption of the resolution. In his report of 27 January 2005 (S/2005/49) the Secretary-General indicated that MINURSO had undertaken a comprehensive review of the structure of the administrative and civilian components of the Mission and that he would be in a position to report on the results, including on the possible downsizing of the Mission, in his next report, which would be submitted to the Security Council at the end of April 2005.

11. The Advisory Committee recalls that, in accordance with Security Council resolution 1541 (2004), the Department of Peacekeeping Operations in September 2004 conducted a review of the military strength necessary for MINURSO to carry out its mandated tasks (see S/2004/827). **The Advisory Committee regrets that, owing to the protracted nature of the review process, the impact of the reduced mandate of the Mission on the administrative and civilian components was not established in time for the preparation of the 2005/06 budget. The Committee stands ready to take up any new budgetary proposals for the 2005/06 period resulting from the pending review of the Mission by the Security Council as soon as they become available.**

12. The Advisory Committee acknowledges the progress made in the formulation of the budget using results-based techniques and in reporting on achievements. It is of the opinion however, that in a number of areas the results achieved are presented in vague and uninformative terms, such as "Regular consultations between the Special Representative of the Secretary-General and the International Committee of the Red Cross", even though the underlying activities could easily have been quantified. The Committee emphasizes once again the importance it attaches to the use of specific and quantitative indicators of achievement, wherever possible, to allow a more objective analysis of the progress and efforts made towards implementation of the expected accomplishments. **The Committee encourages continued improvement and greater consistency in the presentation of the results-based budget framework.**

B. Resource requirements

13. The Advisory Committee notes an overall increase of 10.7 per cent or $4,468,400, with total cost estimates of $46,328,400 for 2005/06, up from $41,860,000 apportioned during the current period.

1. Military personnel

	Approved[a] 2004/05	*Planned[a] 2005/06*	*Encumbered*	*Vacancy/delayed deployment rate*
Military observers	203	203	195	3.9
Military contingent personnel	27	27	27	0
Civilian police	81	8	6	25.0
Total	**311**	**238**	**228**	**4.2**

[a] Representing the highest authorized strength for the period.

[b] As a result of the suspension of the activities of the Identification Commission, 73 civilian police remain authorized but unbudgeted for the period.

14. An increase of $382,100, or 6.3 per cent, in comparison with the apportionment for the current period is proposed under military and police personnel for 2005/06. Contingent-owned equipment apportionment for the period ended 30 June 2005 totalled $15,200 and estimated requirements for the 2005/06 period amount to $68,200. The increases are attributable mainly to the increase in airfare for military observers, based on the latest market rates, and the new methodology for reimbursement of contingent-owned equipment.

2. Civilian personnel

	Approved[a] 2004/05	*Planned[b] 2005/06*	*Encumbered*	*Vacancy/delayed deployment rate*
International staff	302	145	123	15.2
National staff	128	128	110	14.1
Government-provided personnel	10	10	3	70.0
Total	**440**	**283**	**236**	**16.6**

[a] Representing the highest authorized strength for the period.

[b] As a result of the suspension of the activities of the Identification Commission, 157 international staff posts remain authorized but unbudgeted for the period.

15. For the 2005/06 financial period, a decrease of $388,600, or 2.1 per cent, in comparison with the apportionment for 2004/05 is proposed for civilian personnel and related costs. The decrease, as indicated in paragraph 14 of the proposed budget (A/59/629), is due primarily to the fact that budgetary provisions have been made based on Mission-specific salary rates derived from the actual average expenditure by grade over the previous financial period, as recommended in the previous report of the Advisory Committee (A/58/759/Add.2).

16. The cost estimates for international staff for the 2005/06 period are based on a vacancy rate of 6 per cent, whereas a vacancy/delayed deployment rate of 10 per cent had been used for the preparation of the previous budget. **The actual vacancy rate as at 31 December 2004 being 14 per cent, the Advisory Committee is of the opinion that a change in the cost parameters for computing cost estimates is not warranted at this time. It therefore recommends that the vacancy/delayed deployment rate be maintained at 10 per cent.**

17. **Although no new posts have been requested, the Advisory Committee considers the overall presentation of the staffing situation confusing and lacking in transparency, in particular with respect to posts frozen because of the interruption in the work of the Identification Commission, security posts authorized by the General Assembly in its resolution 58/295 of 18 June 2004 that were not budgeted, posts filled at lower levels than those authorized and vacant posts in the office of the Special Representative of the Secretary-General (see annexes II and III). Moreover there is a need to clarify the relationship between the level of resources authorized, actual resources allocated, and the mandate and work to be accomplished.** Upon request the Advisory Committee was provided with a modified organization chart of the Mission showing encumbered posts (see annex IV).

18. From additional information provided, the Advisory Committee notes that during the 2003/04 period a total of 16 international and 22 national posts were converted from 300 series to 100 series contracts. An additional 8 international and 6 national posts are planned for conversion in 2004/05 and a further 3 international and 9 national posts will become eligible for conversion in 2005/06.

19. The Committee was informed that five Professional posts continue to be encumbered by staff at lower levels than budgeted, including an Assistant Secretary-General Chief of Staff post occupied at D-1, a P-5 Legal Officer post at P-4, a P-4 Information Officer post at P-3, a P-3 post of assistant in the Facilities Management Service at G-7 and a P-2 Information Technology Assistant post at FS-5. **The Advisory Committee is of the opinion that, when posts are consistently filled at lower levels, the requirement for the higher-graded post should be re-examined.**

20. Concerning vacant posts, the Committee was informed that, of the 143 authorized and budgeted international posts, 2 Professional and 6 Field Service posts are currently in different stages of the recruitment process, and that 12 posts are on hold, pending the outcome of the ongoing management review. **The Advisory Committee requests that MINURSO not take any action that would prejudice the outcome of the ongoing management review. It trusts that the proposals resulting from the review will be based on the actual levels of the positions filled and that a new justification of the vacant posts will be provided, or that the posts will be abolished.**

21. In its resolution 58/295, the General Assembly authorized the establishment of 2 international (Field Service staff) and 15 national posts for MINURSO, with the provision that staff costs for those posts be accommodated within the budget of the Mission for the current financial period. These security posts are included in the proposed budget for 2005/06.

3. Operational costs

Apportioned 2004/05	*Proposed 2005/06*
$17 108 300	$21 583 200

22. The estimated operational requirements for the period from 1 July 2005 to 30 June 2006 represent an increase of $4,474,900, or 26.2 per cent, as compared with the apportionment for the current period. The main factors contributing to the variance are increased requirements under training, air transportation, facilities and infrastructure, and medical equipment.

Training

23. The Advisory Committee notes that the performance report for the 2003/04 period does not provide a transparent breakdown of training-related costs and activities, including consultants, travel and utilization of the in-mission training centre. The Mission indicates that an unforeseen amount of $10,500 was required for the payment of training-related consulting fees incurred during 2002/03 which had not been obligated during that period. Upon request, additional information was received concerning in-mission training for the 2003/04 period, which provided details on the types of training courses offered as well as the number and type of

participants for each course, indicating that a total of 374 civilian staff and 28 military observers had been trained in-mission.

24. The Advisory Committee notes that, in accordance with the request in its previous report (A/58/759/Add.2), resources proposed for training, including travel, consultants and other supplies, are presented separately in section II.C of the 2005/06 budget document. For the 2005/06 period, the Mission requests a substantial increase in training-related resources as compared to the cost estimates for the current period, including a provision for $32,000 for consultants and $51,000 for supplies and services, an increase of 21 per cent over the $40,000 requested for the current period. Resources requested for training-related travel are practically unchanged at $161,000, a slight increase from the $160,000 requested in the current period. The Committee recalls that, during discussions on the budget for the current period, it had been informed that the establishment of a training centre at the Mission would lead to reduced costs for training-related travel; this goal does not seem to have been attained. **The Committee restates its view that, as more staff become trained in mission-related skills, the requirement for such training should decrease, and with it the requirement for mission-specific training-related travel, particularly in missions that are no longer growing or are in the process of downsizing. It requests that a clear justification for the training programmes envisaged be provided in future budget submissions, including the particular skills required for the mission and the number of staff required to undergo training.**

Air transportation

25. Total expenditure for air operations during the 2003/04 period amounted to $6,432,100, a cost overrun of $920,300, or 16.7 per cent above the $5,511,800 apportioned. The additional requirements, as explained in paragraph 17 of the performance report (A/59/619), were mainly due to the higher rental costs of three MI-8MTV helicopters which replaced three MI-8MT helicopters for operational and safety reasons, the MI-8MTV helicopters being considered better suited to desert conditions. In line with the new approach of the Department of Peacekeeping Operations, the contracts for the aircraft were based on a cost structure calculated on actual hours rather than block hours. **In the view of the Advisory Committee, the presentation of this transition in the performance report and supplementary information was confusing and misleading both in terms of the number of aircraft at the disposal of MINURSO and the actual hours flown. It requests that special attention be devoted to clarifying this type of situation in future budget documents.**

26. **The Advisory Committee draws attention to the observations and recommendations of the Board of Auditors concerning air operations. It requests the Mission to closely monitor the use of aircraft and to carry out a management review on the underutilization of air assets, aimed at establishing a realistic assessment of the Mission's requirements and narrowing the gap between actual and budgeted flight hours.**

27. Concerning the 2005/06 period, the estimate for air transportation amounts to $12,432,400, an increase of $5,178,900, or 71.4 per cent, relative to the apportionment for the current period. The variance, as explained in paragraph 20 of the proposed budget (A/59/629), is due mainly to the increase in costs associated

with the new commercial contract for two cargo and one passenger fixed-wing aircraft and three rotary-wing aircraft.

Communications and information technology

28. The Advisory Committee notes from the performance report for the 2003/04 period that the actual expenditure under communications amounted to $827,800, representing an increase of 22.4 per cent over the apportionment of $676,000. The difference is due to an increase in the number of satellite Earth stations from 4 to 11 for the extension of full information and communication technology services to all of the 10 remote team sites. During an exchange of views with the representatives of the Secretary-General, the Committee was informed that the Mission considered the provision of information and communication technology services to all sites long overdue and essential for efficient operations in a mission with major logistical difficulties in reaching remote areas. **While not objecting to this expenditure, the Committee emphasizes that unbudgeted expenditure should be kept to a minimum and should be directly related to operational needs. Supporting justification in this regard should have been contained in the performance report.**

Petrol, oil and lubricants

29. Upon request, the Advisory Committee was informed that MINURSO had changed its procedures for budgeting and reporting expenditures for generator petrol, oil and lubricants in 2003/04, moving from a combined entry under utilities to a separate entry under petrol, oil and lubricants. **The Committee points out that the presentation of this transition in the budget document and supplementary information was lacking in transparency, and that no information was provided on the discrepancies between the apportionment and expenditure amounts resulting from the changed account codes, nor was there any indication of the corresponding offsetting item. It requests that special care be taken to present this type of extraordinary circumstance as clearly as possible in the future.**

Medical equipment

30. The additional estimate of $80,200 under medical equipment is mainly for the replacement of an X-ray machine dating from 1994. Upon request, the Advisory Committee was informed that the average lifespan of an X-ray machine is five years in field conditions.

Voluntary contributions

31. Upon request, the Advisory Committee was provided with details on budgeted and non-budgeted voluntary contributions for the period from 1 July 2004 to 30 June 2005 (see annex V).

V. Conclusion

32. The action to be taken by the General Assembly in connection with the financing of MINURSO for the period from 1 July 2003 to 30 June 2004 is indicated in paragraph 23 of the performance report (A/59/619). The Advisory Committee recommends that the unencumbered balance of $2,678,700, as well as

other income and adjustments in the amount of $1,194,000, be credited to Member States in a manner to be determined by the Assembly.

33. The action to be taken by the General Assembly in connection with the financing of MINURSO for the period from 1 July 2005 to 30 June 2006 is indicated in paragraph 26 of the proposed budget (A/59/629). **The Advisory Committee recommends acceptance of the Secretary-General's request subject to the observations and comments made above. Taking into account its recommendations in paragraph 16 above, the Committee recommends that the estimated budget requirements of $46,328,400 for the maintenance of the Mission be reduced by $686,600. Accordingly, the Committee recommends that the General Assembly appropriate an amount of $45,641,800 gross ($43,105,900 net) for the maintenance of MINURSO for the 12-month period from 1 July 2005 to 30 June 2006.**

Documentation

- Performance report on the budget of the United Nations Mission for the Referendum in Western Sahara for the period from 1 July 2003 to 30 June 2004 (A/59/619)
- Proposed budget for the United Nations Mission for the Referendum in Western Sahara for the period from 1 July 2005 to 30 June 2006 (A/59/629)
- Report of the Advisory Committee on Administrative and Budgetary Questions on the financial performance report for the period from 1 July 2002 to 30 June 2003 and proposed budget for the period from 1 July 2004 to 30 June 2005 of the United Nations Mission for the Referendum in Western Sahara (A/58/759/Add.2)
- General Assembly resolution 58/309 on the financing of the United Nations Mission for the Referendum in Western Sahara
- General Assembly resolution 58/295 on Strengthening the security and safety of United Nations operations, staff and premises
- Reports of the Secretary-General on the situation concerning Western Sahara (S/2004/827 and S/2005/49)
- Security Council resolution 1570 (2004)

Annex I

Savings on prior-period obligations

1 July 2003 to 30 June 2004

(Thousands of United States dollars)

Category	*Amount*	*Narrative*
I. Military and police personnel		
Military observers	197.0	The unspent balance under this class is due to reduced requirements for excess baggage allowance and shipping allowance.
Military contingents	62.3	Savings are due to actual lower amounts owed for contingent-owned equipment due to deficiencies in equipment.
Civilian police	16.2	The unspent balance under this class is due to reduced requirements for excess baggage allowance and shipping allowance.
Subtotal, military and police personnel	**275.5**	
II. Civilian personnel		
International staff	25.5	The unspent balance is due to lower actual cost for home leave travel as staff opted for the lump-sum option.
Subtotal, civilian personnel	**25.5**	
III. Operational costs		
Government-provided personnel	0.2	The unspent balance is due to lower actual travel cost.
Consultants	23.4	Savings are due to lower number of actual days of service than anticipated by the consultant acting as Personal Envoy of the Secretary-General.
Travel	3.8	The unspent balance is made up of various small savings realized on the settlement of travel claims.
Facilities and infrastructure	205.3	Savings are mostly because of gradual downsizing of the Identification Commission resulting in cancellation of obligations.
Ground transportation	64.7	Savings are mostly due to lower freight charges than estimated as well as due to deductions made from vendors for delayed delivery.
Air transportation	198.8	Savings are due to lower flight hours utilized.
Communications	2.6	Savings are due to the credit given by the service provider.
Information technology	24.1	Savings are mostly because of gradual downsizing of the Identification Commission resulting in cancellation of obligations.
Medical	50.0	Funds were reserved for an intended letter of assist for provision of medical services. However, the letter of assist could not be finalized resulting in savings.

Category	*Amount*	*Narrative*
Other supplies, services and equipment	44.7	Savings are mostly due to lower-than-expected charges for training undertaken in Brindisi.
Subtotal, operational costs	**617.4**	
Total	**918.3**	

Annex II

Posts encumbered at lower levels than authorized as at 23 February 2005

Post level	*Functional title*	*Grade*
ASG	Chief of Staff	D-1
P-5	Legal Officer	P-4
P-4	Information Officer	P-3
P-3[a]	Facilities Management Service Assistant	G-7
P-2	Information Technology Assistant	FS-5

[a] P-3 Facilities Management Service supervisor post authorized in the budget. The staff member has a special post allowance to the P-2 level.

Annex III

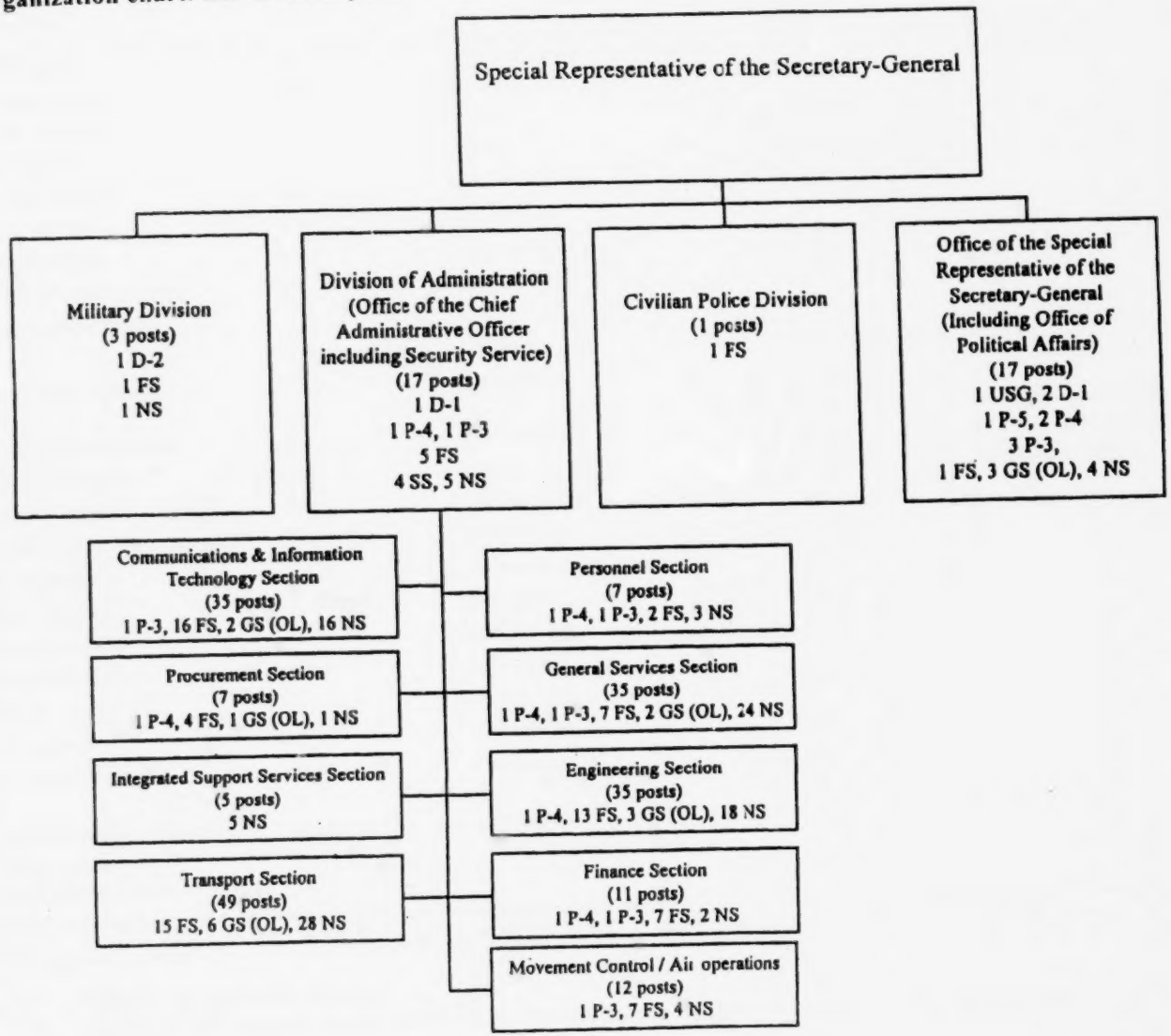
Posts in the Office of the Special Representative of the Secretary-General and the Office of Political Affairs

Post title	*Post level*	*Vacant/encumbered*	*Actual grade*	*Remarks*
Office of the Special Representative of the Secretary-General				
Special Representative of the Secretary-General	USG	Encumbered	USG	
Assistant Secretary-General	ASG	Encumbered	D-1	
Executive Officer	D-1	Encumbered	D-1	
Legal Officer	P-5	Vacant		
Senior Information Officer	P-5	Vacant		
Political Affairs Officer	P-4	Encumbered	P-4	
Information Officer	P-4	Encumbered	P-3	
Personal Assistant	FS-6	Encumbered	G-7	
Administrative Assistant	G-6	Encumbered	G-6	
Administrative Assistant	G-6	Encumbered	G-3	
Administrative Assistant	G-6	Vacant		Under recruitment
Information Systems Assistant	G-6	Encumbered		On loan to Communication and Information Technology Service
Computer Systems Assistant	FS-6	Encumbered		
Worker	Grade level 1B[a]	Encumbered	Grade level 1B	
Office of Political Affairs				
Senior Political Affairs Officer	P-5	Encumbered	P-5	
Political Affairs Officer	P-4	Encumbered	P-4	
Political Affairs Officer	P-3	Encumbered	P-3	
Political Affairs Officer	P-3	Encumbered	P-3	
Information Officer	P-2	Vacant		
Political Affairs Officer	P-2	Vacant		
Political Affairs Officer	P-2	Vacant		
Information Officer	P-2	Vacant: on loan to Procurement		Under recruitment

[a] National staff.

Annex IV

Organization chart: encumbered posts


Special Representative of the Secretary-General
Military Division
(3 posts)
1 D-2
1 FS
1 NS
Division of Administration
(Office of the Chief Administrative Officer including Security Service)
(17 posts)
1 D-1
1 P-4, 1 P-3
5 FS
4 SS, 5 NS
Civilian Police Division
(1 posts)
1 FS
Office of the Special Representative of the Secretary-General (Including Office of Political Affairs)
(17 posts)
1 USG, 2 D-1
1 P-5, 2 P-4
3 P-3,
1 FS, 3 GS (OL), 4 NS
Communications & Information Technology Section
(35 posts)
1 P-3, 16 FS, 2 GS (OL), 16 NS
Procurement Section
(7 posts)
1 P-4, 4 FS, 1 GS (OL), 1 NS
Integrated Support Services Section
(5 posts)
5 NS
Transport Section
(49 posts)
15 FS, 6 GS (OL), 28 NS
Personnel Section
(7 posts)
1 P-4, 1 P-3, 2 FS, 3 NS
General Services Section
(35 posts)
1 P-4, 1 P-3, 7 FS, 2 GS (OL), 24 NS
Engineering Section
(35 posts)
1 P-4, 13 FS, 3 GS (OL), 18 NS
Finance Section
(11 posts)
1 P-4, 1 P-3, 7 FS, 2 NS
Movement Control / Air operations
(12 posts)
1 P-3, 7 FS, 4 NS

Abbreviations: FS, Field Service; GS (OL), General Service (Other Level); NS, National Staff; SS, Security Service.

Annex V

Details of budgeted and non-budgeted contributions

A. 2003/04

(Thousands of United States dollars)

Voluntary contributions in kind (budgeted) were received from:	*Amount*
1. Government of Morocco, meals	2 554.3
	2 554.3
2. Government of Algeria	
Food product	280.2
Utilities (electricity, water and gas)	21.4
Fuel for vehicles	12.4
Airport facilities (landing fee)	2.7
Personnel, cooks and cleaners	13.0
	329.7
3. Frente Polisario	200.0
Total	**3 084.0**

Voluntary contributions in kind (non-budgeted):	*Amount*
Status of forces/Mission agreement is inclusive of:	
1. Accommodation provided by the Government of Morocco	3 103.0
2. Accommodation provided by the Government of Algeria	81.6
Total	**3 184.6**

Summary

Category	*Actual value*
Voluntary contributions in kind (budgeted)	3 084.0
Voluntary contributions in kind (non-budgeted)	3 184.6
Total	**6 268.6**

B. 2005/06

(Thousands of United States dollars)

Voluntary contributions in kind (budgeted):	*Amount*
1. Government of Morocco, meals	2 588.4
	2 588.4
2. Government of Algeria	
Food product	280.2
Utilities (electricity, water and gas)	21.4
Fuel for vehicles	12.4
Airport facilities (landing fee)	2.7
Personnel, cooks and cleaners	13.0
	329.7
3. Frente Polisario	200
Total	**3 118.1**

Voluntary contributions in kind (non-budgeted):	*Amount*
Status of forces/Mission agreement is inclusive of:	
1. Accommodation provided by the Government of Morocco	3 103.0
2. Accommodation provided by the Government of Algeria	81.6
Total	**3 184.6**

Summary

Category	*Actual value*
Voluntary contributions in kind (budgeted)	3 118.1
Voluntary contributions in kind (non-budgeted)	3 184.6
Total	**6 302.7**

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Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Financing of the United Nations Peacekeeping Force in Cyprus

Financial performance report for the period from 1 July 2003 to 30 June 2004 and proposed budget for the period from 1 July 2005 to 30 June 2006 of the United Nations Peacekeeping Force in Cyprus

Report of the Advisory Committee on Administrative and Budgetary Questions

Appropriation for 2003/04	$43,798,800
Expenditure for 2003/04	$45,464,200
Appropriation for 2004/05	$47,240,400
Proposal submitted by the Secretary-General for 2005/06	$44,346,600
Recommendation of the Advisory Committee for 2005/06	$44,194,000

I. Introduction

1. The recommendations of the Advisory Committee on Administrative and Budgetary Questions contained in paragraph 27 of the present report would entail a reduction of $152,600 in the proposed budget for the United Nations Peacekeeping Force in Cyprus (UNFICYP) for the period from 1 July 2005 to 30 June 2006 (see A/59/656 and Add.1). The Committee also makes a number of observations and recommendations with regard to the administration and management of the Force and opportunities for further savings.

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2. The general report of the Advisory Committee on United Nations peacekeeping operations (A/59/736) contains its views and recommendations on a number of cross-cutting issues. In the present report, the Committee deals with resources and other items that relate specifically to UNFICYP.

3. UNFICYP was established by the Security Council in its resolution 186 (1964) of 4 March 1964. From its inception until 15 June 1993, the costs of the Force were met by the troop-Governments, the Government of Cyprus and voluntary contributions. In accordance with General Assembly resolution 47/236 of 14 September 1993, the costs of the Force since 16 June 1993 that were not covered by voluntary contributions have been assessed on Member States. Voluntary contributions equal to one third of the annual cost of UNFICYP have been made on a continuing basis by the Government of Cyprus, while the Government of Greece has been making annual contributions of $6.5 million.

4. The documents used by the Advisory Committee in its consideration of the financing of UNFICYP are listed at the end of the present report.

II. Financial performance report for the period from 1 July 2003 to 30 June 2004

5. On the recommendation of the Advisory Committee, the General Assembly, in its resolution 57/332 of 18 June 2003, appropriated to the Special Account for UNFICYP an amount of $45,772,600 for the period from 1 July 2003 to 30 June 2004, inclusive of $43,798,800 for the maintenance of the Force, $1,511,400 for the support account for peacekeeping operations and $462,400 for the United Nations Logistics Base at Brindisi, Italy. One third of the net appropriation, equivalent to $14,567,500, was funded through voluntary contributions from the Government of Cyprus and the amount of $6.5 million was funded by the Government of Greece. Expenditures for the period totalled $45,464,200 gross ($43,598,900 net).

6. In a letter dated 30 March 2004 addressed to the Chairman of the Advisory Committee by the Controller (see annex to the present report), the Committee was informed that additional requirements of $1,600,000 would arise for the 2003/04 financial period owing to additional requirements relating to the increase of the civilian police component in accordance with Security Council resolution 1486 (2003); the increase in the post adjustment multiplier for international staff to 25.8 in July, 27.6 in August and 31.4 in November 2003, as well as the continuing depreciation of the United States dollar against the Cyprus pound. The additional $1.6 million represented net additional requirements, taking into account projected savings and economy measures implemented by UNFICYP. The Committee was informed at that time that the projected overexpenditure would be reported in the budget performance report for UNFICYP for the 2003/04 period, at which time an additional appropriation would be sought from the General Assembly.

7. The actual cost overrun for the 2003/04 period amounts to $1,665,400, reflecting higher requirements of $1,765,500 under civilian personnel and $90,900 under civilian police and savings of $119,500 and $71,500 under military contingents and operational costs, respectively. The additional requirements under civilian personnel are attributable to the appreciation of the Cyprus pound, four successive increases in the post adjustment multiplier factor for international staff

and the revised salary scales for international and national staff. The increased costs under civilian police is due to the increase of the UNFICYP civilian police strength authorized by the Security Council in its resolution 1486 (2003), the subsequent deployment of 12 additional police officers during the reporting period and the increase in the daily subsistence allowance rate from $12 to $25, with effect from April 2004. The unspent balance under military contingents is attributable to favourable rotation and travel costs as well as lower-than-budgeted actual troop strength. Lower-than-budgeted expenditure under official travel, communication, information technology and special equipment accounts for the unencumbered balance under operational costs.

8. The comments of the Advisory Committee on the information in the performance report on individual objects of expenditure can be found, where relevant, in the discussion of the proposed budget for the period from 1 July 2005 to 30 June 2006 in section IV below.

III. Information on performance for the current period

9. This year, for a number of reasons, it was not possible for the Secretariat to consistently provide the most up-to-date information on the following issues in time for inclusion in the reports of the individual peacekeeping operations: (a) expenditure for the current period; (b) current incumbency; (c) status of reimbursement for troop/formed police costs, contingent-owned equipment and death and disability; (d) cash position of the missions; and (e) status of contributions. This information is being supplied in consolidated tables, which are annexed to the general report of the Advisory Committee on peacekeeping operations (A/59/736).

10. The Advisory Committee draws attention to the note issued by the Secretary-General on 1 March 2005 on financing arrangements for UNFICYP for the period from 1 July 2004 to 30 June 2005 (A/59/718), which contains a request for a revised appropriation to provide an additional $1,898,800 for the maintenance of the Mission. The Committee has recommended that any additional requirement be reported in the performance report (A/59/734).

IV. Proposed budget for the period from 1 July 2005 to 30 June 2006

A. Mandate and planned results

11. Following the rejection of the comprehensive United Nations settlement plan by the Greek Cypriots in the referendum of 24 April 2004 and the accession of the Republic of Cyprus to the European Union on 1 May 2004, the Secretary-General appointed a team to carry out a review of the mandate, the force levels and concept of operations of UNFICYP (see S/2004/756). The representatives of the Secretary-General briefed the Advisory Committee on the current context and the main changes in the mandate, force levels and concept of operations resulting from this review.

12. Since the referendums, contacts between leaders of both sides have ceased and signs of distrust have reappeared. Numerous confidence-building initiatives have, however, been put forward and are in the process of being implemented, with UNFICYP as the sole political interface between the two sides. Given the climate of uncertainty on key political questions and the potential for friction on the island, the Mission's political and civilian role has increased in scope and has again become particularly important.

13. Concerning the military component, the Advisory Committee was informed that even though a recurrence of fighting on the island is extremely unlikely, the potential for minor, local violence and challenges to the ceasefire regime still exist. The UNFICYP military component still needs to carry out the whole range of tasks entrusted to it, with a greater emphasis on liaison, observation and mediation as well as demining related activities. The review team (see para. 11 above) has recommended that the military force evolve from a highly dispersed, patrol-based operation into one with a more concentrated presence, located in fewer sector camps but with increased mobility, and that a small observer and liaison group of up to 40 observers be constituted from existing military contingents as an integral part of the military operation. Combined with a rationalization of the infrastructure, command and control, this new concept of operations, referred to by the Secretary-General as "concentration with mobility", allows an overall reduction of the military force by one third, from a total of 1,230 to 860. In addition, the review team has suggested that some of the tasks performed by the military, such as police assistance and civil affairs responsibilities, may be carried out more efficiently by other components of the Mission.

14. The review team anticipates a heavier workload of the civilian police with respect to the monitoring of crossing points, partly as a consequence of the substantial increase in the number of illegal refugees crossing the buffer zone since the accession of Cyprus to the European Union. It recommends that the current ceiling for the civilian police component be maintained at 69, which is deemed sufficient to cover additional tasks for the time being, given the fact that the current deployment is 44.

15. Another review of UNFICYP will take place in mid-2005, aimed at proposing a further transformation of UNFICYP, including the possible further downsizing of the Mission, based on the experience gained with the new structure that is being implemented from March 2005, and taking into account new developments from that time.

16. The Advisory Committee commends UNFICYP for the improvements it has made to its results-based budgeting framework. It points out, however, that even more indicators of achievement, such as the facilitation of family reunions and inspections of contingent-owned equipment, can be quantified. The Committee reiterates the importance it attaches to the clear, factual presentation of the results attained, allowing an objective analysis of the progress and efforts made towards implementation of the expected accomplishments and their relationship to the resources mobilized. **The Committee encourages UNFICYP to pursue its efforts to provide more specific and quantitative indicators wherever possible, as well as additional details and remarks on the achievements realized.**

B. Resource requirements

17. The Advisory Committee notes an overall reduction of 6.1 per cent or $2,893,800, with a total cost estimate of $44,346,600 for 2005/06, down from $47,240,400 apportioned during the current period.

1. Military and police personnel

Category	*Approved 2004/05*[a]	*Proposed 2005/06*[a]
Military contingents		
Military[b]	1 178	822
Civil affairs[c]	12	12
Support functions[d]	40	26
Total military contingents	**1 230**	**860**
Civilian police		
Civilian police	69	62
Civil Affairs Branch[e]		7
Total civilian police	**69**	**69**

[a] Represents the highest level of authorized strength for the period.
[b] Including up to 40 military officers.
[c] Military officers dedicated to civil affairs functions.
[d] Military officers dedicated to support functions.
[e] Civilian police dedicated to civil affairs functions.

18. From the performance report for the 2003/04 period, the Advisory Committee notes that decreased costs of $119,500 (0.5 per cent of the apportionment) for military contingents were to some extent offset by increased costs of $90,900 (45.9 per cent) for civilian police, limiting the total savings to $28,600, or 0.1 per cent of the apportionment for the military and police personnel of UNFICYP.

19. For the 2005/06 period, an overall decrease of $5,523,300, or 23.4 per cent in comparison with the apportionment for the current period, is proposed under military and police personnel. This amount comprises a reduction of $6,046,400 (26.1 per cent) for military contingents resulting from the reduction of troop strength by one third, from 1,230 to 860 in 2005/06, and an increase of $523,100 (117.6 per cent) for civilian police. The variance under civilian police is attributable essentially to the increase of the daily mission subsistence allowance rate from $12 to $36 from 1 August 2004, which now includes food allowance, previously provided by the Mission.

2. Civilian personnel

Category	*Approved 2004/05*	*Proposed 2005/06*
International staff	46	42
National staff	109	113

20. An increase of $882,900, or 7.5 per cent ($735,800 for national and $147,100 for international staff) in comparison with the apportionment for the current period is proposed under civilian personnel for the 2005/06 period, using a vacancy factor of 5 per cent for international and 2 per cent for national staff. The variance under national staff is attributable mainly to additional provisions for salaries, common staff costs and staff assessment based on a revised salary scale in effect from 1 September 2004, combined with the proposed establishment of four new national posts. For international staff, savings under salaries and staff assessment from the elimination of four posts is largely offset by a steep increase in the estimates for common staff costs, which are based on the actual average expenditure by grade over the previous financial period and amount to 70 per cent of net salaries, representing an increase of over 30 per cent as compared to the current period.

Recommendations on posts

21. The Advisory Committee notes that in response to the request made in its previous report (A/58/759/Add.4), a detailed organizational chart of the proposed structure of the Mission, showing the overall staffing of each office, distinguishing new, converted and redeployed posts is included in the budget report. The proposed organizational and staffing structure of UNFICYP provides for the changes described in the paragraphs below.

22. Establishment of a new office of the Senior Adviser to be staffed with the following four posts:

(a) *Political Officer post (P-4) to be created under component 1, Political and civil affairs;*

(b) *Political Officer post (P-3) to be created under component 1, Political and civil affairs;*

(c) *Senior Adviser post, D-1, to be redeployed from the Office of the Special Representative of the Secretary-General;*

(d) *One General Service post, to be converted from Field Service.*

The establishment of this office is related to the greater political role of the Mission following the April 2004 referendums, and the increased emphasis on mediation, negotiation, political analysis and reporting. These functions were previously carried out by the Office of the Special Representative of the Secretary-General and the Civil Affairs Branch. The Advisory Committee had an in-depth discussion with the representatives of the Secretary-General on the role of this office and, in particular, the responsibilities and activities of the two new Political Officer posts proposed. **The Committee has no objection to the creation of the office of the Senior Adviser and the redeployments proposed. While it accepts the increasing importance of the political role of the Mission, the Committee is not convinced that the workload and activities envisaged for this office are sufficient to justify the establishment of the two proposed posts for political officers in addition to that of the Senior Adviser. Under the circumstances, the Committee recommends the creation of one post for a Political Officer at the P-4 level.**

23. Establishment of a new office of the Senior Police Adviser, to be staffed with the following with two posts:

(a) *One Senior Police Adviser at the P-5 level, to be created under component 3, Civilian police;*

(b) *One national General Service staff to be redeployed.*

During discussions with the representatives of the Secretary-General, the Advisory Committee was informed that at present these functions are performed by one of the civilian police officers provided by Governments. Apart from UNFICYP, all other missions which have a civilian police component are headed by a senior police adviser. The creation of this post would align UNFICYP with the standard practice of the Department of Peacekeeping Operations. **The Advisory Committee recommends acceptance of this proposal.**

24. Strengthening of the Civilian Affairs Branch by an increase of the following six posts:

(a) *One Senior Civil Affairs Officer at the P-5 level, to be created under component 1, Political and civil affairs;*

(b) *One Administrative Assistant at the Field Service level, to be redeployed from the support component;*

(c) *Four national staff (interpreters), to be transferred from the civilian police component.*

The Advisory Committee was informed that even though these interpreters had been assigned primarily to the civilian police component due to the increased movement activity in the buffer zone, they also provided services to other branches. **The Advisory Committee has no objection to these proposals and recommends approval of the post of Senior Civil Affairs Officer, at the P-5 level as Chief of the Civil Affairs Branch.**

25. The transfer of seven civilian police officers dedicated to civil affairs functions from the civilian police component to the political and civil affairs component is proposed. **The Advisory Committee has no objection to this proposal.**

26. The following adjustments are proposed under the support component:

(a) *Conversion of five Field Service posts to the national General Service category;*

(b) *Redeployment of one Field Service post to the Civil Affairs Branch;*

(c) *Abolition of three Field Service posts.*

With regard to the conversion of international posts to national posts and the handover of functions from international staff to national staff, the Advisory Committee has consistently emphasized the importance of strengthening the capacity and role of national staff in United Nations peacekeeping missions. Success in this regard can result in lower overhead costs without decreasing efficiency. The Committee welcomes these proposals and encourages UNFICYP to pursue its efforts in this area. It also requests UNFICYP to provide additional information when posts are converted or abolished in the future, including, for example, the responsibilities, knowledge and skills transferred to national staff, actions taken to achieve efficiency gains and rationalization of administrative tasks.

27. **With respect to the upcoming review and possible further downsizing of UNFICYP, the Advisory Committee urges the Mission to consider the realignment of the grade levels of senior posts to the reduced scope of the Mission, the level of responsibility and number of staff overseen including, in particular, the possible downgrading of the position of the Force commander from the D-2 to the D-1 level if the number of military personnel is further reduced. The Committee is of the opinion that such an adjustment could already have been contemplated during the latest restructuring of the Mission when the number of soldiers in the military contingents was reduced from 1,230 to 860.**

3. Operational costs

Apportioned 2004/05	*Proposed 2005/06*
$11 818 600	$13 565 290

28. The estimated operational requirements for the period from 1 July 2005 to 30 June 2006 represent an increase of $1,746,600 or 14.8 per cent, as compared with the apportionment for the current period. The main factors contributing to the variance are increased costs under ground transportation, maintenance supplies, materials and services procured locally, as well as repair and upgrading of facilities, offset in part by reductions under official travel and acquisition of equipment and facilities due to the reduced and more concentrated military force.

29. According to UNFICYP, the sharp increases on costs are largely due to the appreciation of the Cyprus pound against the United States dollar, as well as to inflation. However, given that the Cyprus pound appreciated by 15 per cent against the United States dollar over the two-year period from January 2003 to January 2005, the currency exchange rates do not fully account for the very sharp cost increases presented for certain items, in particular under ground transportation and services procured locally. **The Advisory Committee is concerned about whether the competitive bidding process is being properly observed and why the savings expected from the outsourcing of certain services have not materialized. On the contrary, the costs of some of these services have increased disproportionately.** For example, during the 2003/04 period, garbage collection and sewage disposal services contract increased by 42 per cent. From January 2004, expenditure related to catering services contracts increased by 16.7 per cent. Under ground transportation, the projected costs amount to $3,313,100, an increase of 65.4 per cent, or $1,310,100 over the apportionment of $2,003,000 for the current period, including, for example, an increase of $841,400 (85.9 per cent) in the contract for the rental of vehicles owing to the increase in rental rates in effect from 1 July 2005.

30. **The Advisory Committee requests UNFICYP to review its outsourcing and procurement practices and to ensure that the Mission's resources are used in the most cost-effective manner possible.**

Inventory management

31. In its report on the proposed budget for the period from 1 July 2004 to 30 June 2005 (A/58/759/Add.2), the Advisory Committee recommended that priority action should be taken to improve inventory management at the Mission. The Committee

was informed that a process for reconciling the record of assets in the Galileo inventory management system with the physical inventory was initiated in April 2004, with self-accounting units set up and designated as focal points for property control and monitoring of United Nations property. The whereabouts of unaccounted for items is routinely investigated by the administration and write-off action is initiated for any unaccounted for items. The units also ensure that any United Nations-owned equipment procured or transferred from other missions is properly recorded. **The Advisory Committee trusts that procedures for assigning responsibility for proper inventory management will be strictly enforced.**

32. Concerning the disposal process of written-off items, the Advisory Committee was informed that the Mission conducts two auctions per year, which are advertised in local newspapers. As at 31 December 2004 three outstaading written-off items remained to be auctioned.

V. New accommodations for troops

33. The Advisory Committee was informed that an independent engineering survey commissioned by UNFICYP in late 2004 had determined that facilities for the accommodation of troops at Camp San Martin (Sector 1 headquarters) and the Ledra Palace Hotel were structurally unsafe and that their continued occupation constituted an unacceptable safety risk. Given the prohibitive cost of refurbishing these facilities ($20.2 million), UNFICYP proposes the relocation of the troops to new, containerized facilities at a total cost of $3,762,200, of which $709,500 would be required during the 2004/05 financial period for the engagement of engineering consultancy services and site preparation, including electrical, water and sewage projects. The balance of the estimated total cost of the project, representing $3,052,700, which would be required for the acquisition of the prefabricated facilities during 2005/06, has been submitted as an addendum to the proposed budget (see A/59/656/Add.1).

34. At present, accommodations for troops are provided by the Government of Cyprus. The Advisory Committee understands there have been further discussions on the relocation of troops and that UNFICYP has yet to receive a formal reply from the Government. The Committee will revert to this matter once the decision of the Government of Cyprus is known.

VI. Conclusion

35. The action to be taken by the General Assembly in connection with the financing of UNFICYP for the period from 1 July 2003 to 30 June 2004 is indicated in paragraph 22 of the performance report (A/59/620). **The Advisory Committee recommends that the additional amount of $1,665,400 for the maintenance of the Force with respect to the period from 1 July 2003 to 30 June 2004 be appropriated and assessed on Member States and that the income/adjustments in the amount of $1,353,900, be credited to Member States in a manner to be determined by the Assembly.**

36. The action to be taken by the General Assembly in connection with the financing of UNFICYP for the period from 1 July 2005 to 30 June 2006 is indicated

in paragraph 25 of the proposed budget (A/59/656). **Taking into account its recommendations in paragraph 27 above, the Advisory Committee recommends that the estimated budget requirements of $44,346,600 be reduced by $152,600. Accordingly, the Committee recommends that the General Assembly appropriate an amount of $44,194,000 gross ($42,081,900 net) for the maintenance of UNFICYP for the 12-month period from 1 July 2005 to 30 June 2006, including $20,527,300 net to be funded through voluntary contributions from the Government of Cyprus ($14,027,300) and the Government of Greece ($6.5 million).**

Documentation

- Performance report on the budget of the United Nations Peacekeeping Force in Cyprus for the period from 1 July 2003 to 30 June 2004 (A/59/620)
- Financing arrangements for the United Nations Peacekeeping Force in Cyprus for the period from 1 July 2004 to 30 June 2005 (A/59/718)
- Report of the Advisory Committee on Administrative and Budgetary Questions on financing arrangements for the United Nations Peacekeeping Force in Cyprus for the period from 1 July 2004 to 30 June 2005 (A/59/734)
- Proposed budget for the United Nations Peacekeeping Force in Cyprus for the period from 1 July 2005 to 30 June 2006 (A/59/656 and Add.1)
- Report of the Advisory Committee on Administrative and Budgetary Questions on the financial performance for the period from 1 July 2002 to 30 June 2003 and proposed budget for the period from 1 July 2004 to 30 June 2005 of the United Nations Peacekeeping Force in Cyprus (A/58/759/Add.4)
- General Assembly resolution 58/301 on the financing of the United Nations Peacekeeping Force in Cyprus
- Progress report of the Secretary-General on the United Nations operation in Cyprus (S/2004/756)
- Security Council resolutions 186 (1964) and 1568 (2004)

Annex

Letter dated 30 March 2004 addressed to the Chairman of the Advisory Committee on Administrative and Budgetary Questions from the United Nations Controller

You will recall that in my letter dated 19 August 2003 I informed the Advisory Committee that it was expected that additional requirements (estimated at the time at $783,100) arising from Security Council decision in its resolution 1486 (2003) of 11 June 2003 to increase the UNFICYP civilian police component by no more than 34 officers could be absorbed within the appropriation for the 2003/04 period approved for the Mission by the General Assembly in its resolution 57/332 ($43,798,800). I also indicated that should additional resources be required, funds would be sought from the General Assembly in the context of the Force's budget performance report for the 2003/04 financial period.

Owing to the consecutive implementation in UNFICYP of higher post adjustment multipliers in effect from July, September and December 2003, continuing depreciation of the United States dollar versus the Cyprus pound, as well as to the deployment of additional civilian police officers, the Mission currently projects additional requirements for the 2003/04 period in the amount of $1.6 million.

As indicated in the attached schedule and supplementary information, the amount of $1.6 million represents net additional requirements, which reflect economizing measures implemented by the Mission consisting of the deferral of the acquisition of some communications and information technology equipment to the 2004/05 period, projected saving related to the purchase of observation devices and uniforms and limitations on official travel.

The Mission's projected overexpenditure will be reported in the context of its 2003-2004 budget performance report at which time an additional appropriation will be sought from the General Assembly.

(*Signed*) Jean-Pierre **Halbwachs**
Assistant Secretary-General, Controller